

AGENDA

Ordinary Council meeting Monday, 21 August 2023

I hereby give notice that an Ordinary meeting of Council will be held on:

Date: Monday, 21 August 2023

Time: 9.30am

Location: Bay of Plenty Regional Council Chambers

Regional House 1 Elizabeth Street

Tauranga

Please note that this meeting will be livestreamed and the recording will be publicly available on Tauranga City Council's website: www.tauranga.govt.nz.

Marty Grenfell Chief Executive

Terms of reference – Council

Membership

ChairpersonCommission Chair Anne TolleyMembersCommissioner Shadrach Rolleston
Commissioner Stephen Selwood

Commissioner Bill Wasley

Quorum Half of the members physically present, where the number of

members (including vacancies) is <u>even</u>; and a <u>majority</u> of the members physically present, where the number of members

(including vacancies) is odd.

Meeting frequency As required

Role

- To ensure the effective and efficient governance of the City
- To enable leadership of the City including advocacy and facilitation on behalf of the community.

Scope

- Oversee the work of all committees and subcommittees.
- Exercise all non-delegable and non-delegated functions and powers of the Council.
 - The powers Council is legally prohibited from delegating include:
 - Power to make a rate.
 - Power to make a bylaw.
 - Power to borrow money, or purchase or dispose of assets, other than in accordance with the long-term plan.
 - Power to adopt a long-term plan, annual plan, or annual report
 - Power to appoint a chief executive.
 - Power to adopt policies required to be adopted and consulted on under the Local Government Act 2002 in association with the long-term plan or developed for the purpose of the local governance statement.
 - All final decisions required to be made by resolution of the territorial authority/Council
 pursuant to relevant legislation (for example: the approval of the City Plan or City Plan
 changes as per section 34A Resource Management Act 1991).
 - Council has chosen not to delegate the following:
 - Power to compulsorily acquire land under the Public Works Act 1981.
 - Make those decisions which are required by legislation to be made by resolution of the local authority.
 - Authorise all expenditure not delegated to officers, Committees or other subordinate decisionmaking bodies of Council.
 - Make appointments of members to the CCO Boards of Directors/Trustees and representatives of Council to external organisations.
 - Consider any matters referred from any of the Standing or Special Committees, Joint Committees, Chief Executive or General Managers.

Procedural matters

- Delegation of Council powers to Council's committees and other subordinate decision-making bodies.
- Adoption of Standing Orders.
- Receipt of Joint Committee minutes.
- Approval of Special Orders.
- · Employment of Chief Executive.
- Other Delegations of Council's powers, duties and responsibilities.

Regulatory matters

Administration, monitoring and enforcement of all regulatory matters that have not otherwise been delegated or that are referred to Council for determination (by a committee, subordinate decision-making body, Chief Executive or relevant General Manager).

Order of Business

1	Openi	ng karakia	7
2	Apolo	gies	7
3	Public	; forum	8
	3.1	Eamon O'Connor - President -Tauranga Harbour Protection Society	8
4	Accep	otance of late items	9
5	Confi	dential business to be transferred into the open	9
6	Chan	ge to the order of business	9
7	Confi	mation of minutes	9
	Nil		
8	Decla	ration of conflicts of interest	9
9	Deput	ations, presentations, petitions	9
	Nil		
10	Recor	nmendations from other committees	10
	10.1	Review of Rating Categories to Differentiate Industrial Ratepayers	10
	10.2	Report - 2024 - 2034 Long-term Plan - Update - Funding and Reserves	11
11	Busin	ess	13
	11.2	Draft Long Term Plan 2024-2034 - Memorial to Elizabeth Waterfront Recreation Connection \ Te Hononga ki Te Awanui	126
	11.3	Our Direction (Council's strategic framework) - adopt final action and investment plans and strategies	134
	11.4	Tauranga Climate Action and Investment Plan - adoption	143
	11.5	Long-term Plan 2024 - 2034 Update	201
	11.6	Draft Revenue and Financing Policy Framework	207
	11.7	Paying a Fair Share - Approaches to Funding the draft 2024/34 Long-term Plan	237
	11.8	Review of Rating Categories to Differentiate Industrial Ratepayers	255
12	Discu	ssion of late items	265
13	Public	excluded session	265
	Confid	lential Attachment 4 11.1 - 2024-2034 Long-term Plan - Tauranga Community Stadium - update 265	
14	Closir	ng karakia	265

- 1 OPENING KARAKIA
- 2 APOLOGIES

3 PUBLIC FORUM

3.1 Eamon O'Connor - President -Tauranga Harbour Protection Society

ATTACHMENTS

Nil

- 4 ACCEPTANCE OF LATE ITEMS
- 5 CONFIDENTIAL BUSINESS TO BE TRANSFERRED INTO THE OPEN
- 6 CHANGE TO THE ORDER OF BUSINESS
- 7 CONFIRMATION OF MINUTES

Nil

- 8 DECLARATION OF CONFLICTS OF INTEREST
- 9 DEPUTATIONS, PRESENTATIONS, PETITIONS

Nil

10 RECOMMENDATIONS FROM OTHER COMMITTEES

10.1 Review of Rating Categories to Differentiate Industrial Ratepayers

File Number: A14959980

Author: Sarah Drummond, Governance Advisor
Authoriser: Sarah Drummond, Governance Advisor

PURPOSE OF THE REPORT

1. The purpose of this report is to bring a recommendation from the Strategy Finance and Risk Committer to Council for consideration. At its meeting on 7 August 2023, the Committee passed the following resolution which includes a recommendation to Council.

Item 9.2 - Review of Rating Categories to Differentiate Industrial Ratepayers Committee Resolution SFR5/23/1

That the Strategy, Finance and Risk Committee:

- (a) Receives the council report "Review of Rating Categories to Differentiate Industrial Ratepayers".
- (b) Receives the attachment "Report on Rating Categories Differential by P J and Associates".
- (c) Recommends to Council to consider introducing a new rating category for industrial properties (Option 1) in the development of the 2024-34 Long-term Plan.
- 2. In accordance with the Committee recommendation SFR5/23/2 (C) Council are now asked to consider introducing a new rating category for industrial properties (Option 1) in the development of the 2024-34 Long-term Plan..

RECOMMENDATIONS

That the Council:

- (a) Receives the report "Review of Rating Categories to Differentiate Industrial Ratepayers
- (b) Recommends to Council to consider introducing a new rating category for industrial properties (Option 1) in the development of the 2024-34 Long-term Plan.

ATTACHMENTS

Nil

10.2 Report - 2024 - 2034 Long-term Plan - Update - Funding and Reserves

File Number: A14959985

Author: Sarah Drummond, Governance Advisor
Authoriser: Sarah Drummond, Governance Advisor

PURPOSE OF THE REPORT

1. The purpose of this report is to bring a recommendation from the Strategy Finance and Risk Committee to Council for consideration. At its meeting on 7 August 2023, the Committee passed the following resolution which includes a recommendation to Council.

Item 9.7 2024 - 2034 Long-term Plan - Update - Funding and Reserves That the Strategy, Finance and Risk Committee:

- (a) Receives the report "2024 2034 Long-term Plan Update Funding and Reserves".
- (b) Recommends to Council that the following matters are considered in the LTP to address both the significant impacts of large asset revaluations on depreciation and the current risks and impacts on the depreciation reserves.
 - (i) Phasing in of increased funding of depreciation expense in the early years of the LTP to mitigate the otherwise significant up-front increases in rates arising from significant asset revaluation.
 - (ii) Restoring depreciation funding and the level of reserve balances within the ten years of the LTP.
 - (iii) Short term loan funding of capital renewals for activities where there are insufficient depreciation reserves.
 - (iv) additional rates funding to retire debt for those activities where there are insufficient depreciable assets to repay debt over time.
- (c) Recommends to Council that the phased retirement of debt in the weathertight and unfunded liabilities reserve subject to rates affordability should aim to significantly reduce these reserve deficits through the period of the LTP.
- (d) Recommends that Council consider the value of risk reserve funded through the LTP taking into account both debt headroom maintained in the debt to revenue ratio below LGFA funding limits and the value of the reserve.
- 2. In accordance with the Committee recommendation SFR5/23/1 (b) (i) (ii) (iii) and (iv) (c) and (d) . Council are now asked to consider those recommendations.

Item 10.2 Page 11

RECOMMENDATIONS

That the Council:

- (a) Receives the report "Report 2024 2034 Long-term Plan Update Funding and Reserves".
 - (b) Recommends to Council that the following matters are considered in the LTP to address both the significant impacts of large asset revaluations on depreciation and the current risks and impacts on the depreciation reserves.
 - (i) Phasing in of increased funding of depreciation expense in the early years of the LTP to mitigate the otherwise significant up-front increases in rates arising from significant asset revaluation.
 - (ii) Restoring depreciation funding and the level of reserve balances within the ten years of the LTP.
 - (iii) Short term loan funding of capital renewals for activities where there are insufficient depreciation reserves.
 - (iv) additional rates funding to retire debt for those activities where there are insufficient depreciable assets to repay debt over time.
- (c) Recommends to Council that the phased retirement of debt in the weathertight and unfunded liabilities reserve subject to rates affordability should aim to significantly reduce these reserve deficits through the period of the LTP.
- (d) Recommends that Council consider the value of risk reserve funded through the LTP taking into account both debt headroom maintained in the debt to revenue ratio below LGFA funding limits and the value of the reserveType Recommendation here

ATTACHMENTS

Nil

Item 10.2 Page 12

11 BUSINESS

11.1 2024-2034 Long-term Plan - Tauranga Community Stadium - update

File Number: A14891193

Author: Kelvin Eden, Capital Programme Manager: Major Community Amenity

Jeremy Boase, Manager: Strategy and Corporate Planning

Authoriser: Gareth Wallis, General Manager: City Development & Partnerships

Please note that this report contains confidential attachments.

Public Excluded Attachment	Reason why Public Excluded
Item 11.1 - 2024-2034 Long- term Plan - Tauranga Community Stadium - update - Attachment 4 - High level funding assessment June 2023	s7(2)(i) - The withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).

PURPOSE OF THE REPORT

1. To provide an update on the Tauranga Community Stadium project since Council considered the preliminary business case, and to seek direction on the manner of any inclusion of the project in the draft Long-Term Plan 2024-2034 budgets and consultation document.

RECOMMENDATIONS

That the Council:

- (a) Receives the report "2024-2034 Long-term Plan Tauranga Community Stadium update".
- (b) Approves Option 2 Staged Implementation Plan for inclusion in the draft 2024-2034 Long-term Plan, and budgets and consultation document. Current details of this option include:
 - (i) Staged delivery of the stadium commencing in 2029/30.
 - (ii) Capital expenditure of \$70 million for the first stage of which \$40 million is financed for budgeting purposes from rates-funded loans and \$30 million from other sources.
 - (iii) Balance of the capital expenditure budget to be incurred beyond the term of the 2024-2034 Long-term Plan.
 - (iv) Operating costs of \$1 million per annum, plus appropriate debt servicing and depreciation allocations.
 - (v) Continuation of work with existing users of the Tauranga Domain to explore alternative site options (e.g. athletics, bowls and croquet).
 - (vi) Continuation of efforts to secure non-council funding for the capital costs of the community stadium.
- (c) Notes that further details of the 'staged implementation plan' approach will be established prior to the adoption of the final 2024-2034 Long-term Plan, currently scheduled for April 2024.
- (d) Approves unbudgeted expenditure of a maximum of \$900,000 in 2023/24 to further develop and cost the 'staged implementation plan' option, and to seek funding contributions from other project partners to share these costs. Council's share of the expenditure to be loan-funded operating expenditure, based on the expenditure offering long-term benefit associated with the proposed investment. Rate funded debt retirement over ten years should be included in the budgets from 2024/25 onwards.
- (e) **Attachment 4** can be transferred into the open when all funding negotiations have been completed.

EXECUTIVE SUMMARY

- 2. Work on a proposed community stadium has been underway for several years, led by Priority One in a project partnership including Council. A needs assessment and a pre-feasibility study have been completed, a detailed assessment process identified the Tauranga Domain as the preferred location, and earlier this year a comprehensive preliminary business case was completed and reported to Council.
- 3. That preliminary business case supported a boutique multi-use community stadium including flexible seating arrangements, a light exhibition centre, a function centre and other ancillary facilities.
- 4. Following Council's receipt of the preliminary business case, project staff undertook a significant community engagement exercise and simultaneously continued investigating various aspects of the project in accordance with Council's direction. This report provides the outcome of the community engagement exercise and also provides updates on other work undertaken.
- 5. In a demographically representative community survey, 49% of people strongly supported or somewhat supported the proposed community stadium while 43% strongly opposed or somewhat opposed it. When asked about a proportion of the funding of the proposed community stadium coming from annual rates, support dropped and opposition increased.

- 6. When considered across age-groups, support for the stadium was significantly greater in the 25-54 age-groups while opposition was significantly greater in the 55+ age-groups.
- 7. In recognition of Council's financial position and considering the interests of existing users of the Tauranga Domain, a staged implementation plan has started to be explored. This would enable the start of construction of the proposed community stadium to be delayed until the current athletics track reaches the end of its planned useful life and therefore, needs replacement. This staged implementation approach is recommended for inclusion in the draft 2024-2034 Long-term Plan for the purposes of further community consultation.
- 8. In recognising that the development of this approach is in its early stages, further funding is sought in this financial year to better develop a practical implementation plan for the staged approach. The results of this extra work will enable detailed consideration of the approach by Council prior to the adoption of the final 2024-2034 Long-term Plan, scheduled for April 2024.

BACKGROUND

Recent project history

- 9. Since late 2018, work has been underway regarding the potential for establishing a subregional stadium. This work has been led by a project partnership including Priority One, Tauranga City Council, Bay of Plenty Regional Council and Sport New Zealand. Between 2019 and 2022 the project partnership commissioned and received reports titled:
 - Needs assessment report
 - Pre-feasibility study
 - Site selection report
 - Feasibility study.
- 10. When the feasibility study was presented to Council (23 May 2022), Council agreed in principle that the Tauranga Domain is the suitable site for a community stadium and approved Council's participation in the project's next steps, including development of a business case, further design work, and ongoing engagement with mana whenua and affected parties.
- 11. Over the following 12 months, the project partners commissioned a team of consultants, led by Visitor Solutions Ltd and Tuhura Consulting, to prepare a preliminary business case.
- 12. On 1 May 2023, Council considered a report titled *Tauranga Community Stadium* preliminary business case.
- 13. The preliminary business case recommended an option for a new multi-use community stadium with the following elements:
 - Boutique community stadium with 7,000 permanent seats and provision for 8,000 temporary seats (circa 5,000 being prefabricated seating modules).
 - Light exhibition centre (circa 2,000m² exhibition space plus support facilities).
 - Function centre (circa 1,300m²).
 - Community multi-sport facility (circa 400m² of changing room and lounge space).
 - Waikato University Sports Science / Physiotherapy facility (circa 250m² dedicated space and shared spaces).
- 14. Following consideration of the 1 May 2023 report and the attached final preliminary business case, Council resolved to:
 - (a) Receive the report
 - (b) Note that further consultation and any decisions regarding future Council participation and funding of the Tauranga Community Stadium could occur via the 2024-2034 Long-term Plan Process, with ongoing community engagement (including city, regional and subregional wide communities) occurring in addition to formal consultation processes as appropriate.

- (c) Refer the Preliminary Business case to Tauranga Domain User Groups and any other relevant groups for their information.
- (d) Request a report back from Tauranga City Council staff on funding and affordability considerations including operational costs and the likely relocation costs of existing groups so a comprehensive funding picture is provided prior to consideration for inclusion in the 2024/2034 Long-term Plan.
- (e) Ensure that the region wide social and economic benefits are clearly enunciated in the business case along with direct benefits and costs.
- (f) Request Tauranga City Council staff continue to engage with sporting groups on identifying future options for relocation if the stadium project progresses.
- (g) Report back on potential ownership and operational delivery structure.
- (h) Report back on the likely costs of undertaking the above work and how it would be funded.

RESPONSE TO MAY 2023 RESOLUTIONS

- 15. This report provides an update on progress against the 1 May 2023 resolutions, including the outcome of recent widespread community engagement, and seeks direction on how, if at all, the project should be included in the 2024-2034 Long-term Plan consultation document.
- 16. Resolution (a) from 1 May 2023 needs no further action.
- 17. Resolution (c) was actioned following the 1 May 2023 meeting by provision of the final preliminary business case document to all relevant groups as part of ongoing engagement between council and those groups.
- 18. Resolution (f) has been actioned through the continuation of extensive engagement with stakeholders that has been underway since Council endorsed a preliminary masterplan for the Tauranga and Wharepai Domains in October 2022 (alongside similar preliminary masterplans for Blake Park and Baypark). The outcome of that engagement is scheduled to be presented to the Council meeting on 4 September 2023 in a separate report titled *Active Reserves Masterplans*.
- 19. With regard to resolution (h), the work undertaken since May 2023 has largely been led by Priority One on behalf of the project partners and has been funded from the original funding provided to the project by the partners in 2022 (Council provided \$100,000 in 2021/22 as its share of the feasibility study and a further \$200,000 in 2022/23 as its share of the preliminary business case). In addition to this, council has incurred approximately \$34,000 of costs in regard to the community survey described below and associated media costs.
- 20. The other resolutions from 1 May 2023 are considered in the following sections.

Community engagement process (1 May 2023 resolution (b))

- 21. Commencing on 26 June 2023, council undertook a significant community engagement exercise seeking to determine the likely level of support for the proposed community stadium at the Tauranga Domain. This engagement exercise was supported by printed press adverts and articles, radio advertising, and online advertising.
- 22. The engagement exercise was split into two strands:
 - (a) a demographically representative market research survey managed by Key Research Limited; and
 - (b) a self-select survey managed by council.
- 23. Both surveys asked exactly the same questions. These were:
 - (i) To what extent do you support or oppose the proposed community stadium at Tauranga Domain? (responses on a five-point scale)
 - (ii) To what extent do you support or oppose a proportion of the funding of the proposed community stadium to come from annual rates? (responses on a five-point scale)

- (iii) What economic benefits, if any, do you think the construction and the use of the proposed community stadium could bring to Tauranga? (free text responses)
- (iv) What community or social well-being benefits, if any, do you think the proposed community stadium could bring to Tauranga? (free text responses)
- (v) An invitation to provide any further comments or feedback. (free text responses)
- (vi) Demographic questions.
- 24. People completing both surveys were directed to project information on council's website before being invited to complete the survey. Both surveys opened on 26 June 2023 and closed on 21 July 2023.
- 25. The only difference in the surveys was in the methodology used to generate responses.
- 26. Key Research operated a postal-to-online survey, sending invitations to take part to 10,000 people randomly selected from the electoral roll in the Tauranga City area. The objective was to generate 1,000 responses from this approach. By the time the survey closed, 1,198 responses were received. Once data had been received, Key Research weighted the sample to ensure reporting is exactly representative of key population demographics per the 2018 census. The sample of 1,198 respondents has an expected 95% confidence interval (margin of error) of +/- 2.8%.
- 27. The council-managed survey was available to all through council's website. In total 3,318 responses were received to the self-select survey. A self-select survey has an inherently higher margin of error than a demographically representative survey of similar size.
- 28. Taken together, 4,516 responses to the two surveys were received.

Community engagement results – demographically representative market research survey

- 29. A copy of the Key Research report titled *Proposed Community Stadium Survey 2023* is included as **Attachment 1** to this report.
- 30. The key findings are summarised on pages 4 and 5 of the Key Research report and are further summarised here in the interests of brevity.

Community stadium

- 49% of people strongly support or somewhat support the proposed community stadium.
- 43% of people strongly oppose or somewhat oppose the proposed community stadium.
- Strong support for the proposed community stadium was greater among males (34% strongly supporting) than females (21% strongly supporting).
- People in the 25-54 age-group are more likely to strongly support the proposed community stadium than people in other age-groups.
- People in the 55+ age-group are more likely to strongly oppose the proposed community stadium than people in other age-groups.

Funding

- Overall, 30% of people strongly support or somewhat support a proportion of the funding of the proposed community stadium coming from annual rates.
- Overall, 57% or people strongly oppose or somewhat oppose a proportion of the funding of the proposed community stadium coming from annual rates.
- Of the 49% of people who support the proposed community stadium, 58% supported a proportion of the funding of the proposed community stadium coming from annual rates, while 24% opposed such funding.
- Of all respondents, 50% of females strongly oppose a proportion of the funding of the proposed community stadium coming from annual rates.

Economic benefits

- The most common positive responses were:
 - Increased tourism / visitation (19%).
 - o Positive impact on business / hospitality (17%).
 - Bring performers / different events to the city (17%).
- In addition, a proportion stated that there would be no economic benefits (19%) or that we already have Baypark / could upgrade Baypark / don't need another stadium (13%).

Community or social well-being benefits

- The most common positive responses were:
 - A place for social groups to meet / social events / bringing the community together (15%).
 - o More activities or events to do / attend in and around Tauranga (10%).
 - o More sports / greater variety of sports available (9%).
- In addition, a proportion stated that there would be no community or social well-being benefits (23%) or that the project was not a priority or that funds could be used better (12%).

Further comments question

- 589 respondents took the opportunity to provide further comments.
- Of these, 22% of respondents left a general comment in support of the proposed community stadium.
- Of those providing negative comments, the most common related to traffic and parking (10% and 15% of respondents respectively), the stadium not being a priority (14%) or there being other priorities for spending money (11%), and reference to Baypark being upgraded instead (12%).

Community engagement results – self-select survey

- 31. A summary of the council-managed self-select survey results are included as **Attachment 2** to this report.
- 32. The self-select survey was able to be completed by anyone with an interest in the matter. Because it is not focused on a random sample of the population in the way that the demographically representative market research survey was, the self-select survey is more likely to be completed by people with strong views for or against the proposed community stadium.
- 33. Of the 3,318 respondents, 2,949 (89%) were from people identifying as residents of Tauranga.
- 34. It should be noted that during the survey period, a number of organisations distributed and published information encouraging their members or the wider public to take part in the survey. Some of the information published as part of this encouragement was misleading or simply incorrect. For example, claims that the proposed stadium 'will be closed to the public except on a paid basis a few times a year' or that the costs of relocating existing users 'are touted to double the cost of the stadium' are manifestly wrong.
- 35. Overall, the results of the self-select survey are less supportive of the proposed community stadium and less supportive of a proportion of funding coming from annual rates than the demographically representative survey.
- 36. Key findings from the unweighted data include the following:
 - 35% of all respondents strongly or somewhat support the proposed community stadium while 63% strongly or somewhat oppose it.

- 27% of all respondents strongly or somewhat support a proportion of rates funding, while
 66% strongly or somewhat opposed a proportion of rates funding.
- the self-select survey had a much higher proportion of strong opinions than the demographically representative survey. For example, on the question of stadium support, the demographically representative survey showed 41% in the bracket of 'somewhat support / neither / somewhat oppose' while the self-select survey only showed 15% in this range.
- 37. Consistent with the demographically representative survey, the self-select survey shows:
 - Greater support for the proposed community stadium among males compared to females.
 - Greater support for the proposed community stadium among those 44 and younger compared to those 45 and older (a slightly younger split than in the demographic survey).
 - Greater opposition to a proportion of rates funding among females (67% strongly oppose) compared to males.

Community engagement results - other feedback

- 38. In addition to the online surveys, council has also received, via Priority One, letters of support from a number of Bay of Plenty Rugby partners including Bayleys and Eves Realty, the Urban Task Force, Craigs Investment Partners, Uzabus, Central Demolition, LinkUp Paints Bay of Plenty, Kaleprint, Ceilings Unlimited, R-Line Limited, and Foundation Sports & Rehabilitation Clinic.
- 39. Common themes in these letters of support are the balance of 90% community use and 10% professional events; the social, economic and long-term strategic benefits to the city; and the diverse range of events and users that the proposed community stadium will support.
- 40. Letters of support have also been received from a number of sporting organisations and potential users of the proposed community stadium.
- 41. Te Whatu Ora Health New Zealand have noted that while they support in principle any multi-use stadium that contributes to community health and wellbeing, they do not support the preferred location at the Tauranga Domain. This is because they feel the site selection process and business case has not taken sufficient account of noise emissions from the site, and that the risk of noise restrictions on potential events has not been rated highly enough. Te Whatu Ora Health New Zealand recommend that Council conducts a health impact assessment of the proposed community stadium.

Region-wide social and economic benefits (1 May 2023 resolution (e))

- 42. Council and Priority One commissioned Market Economics Consulting, with support from Visitor Solutions, to assess the anticipated social and community impacts of the proposed community stadium. Their report ("the Market Economics report") is included as **Attachment 3** to this report.
- 43. The Market Economics report identifies core effects of the proposed community stadium under the following headings:
 - Health and wellbeing
 - Urban form uplift
 - Way of life
 - Community
 - Environment and amenity
 - Culture
 - Fears and aspirations.
- 44. There is also a section on employment effects and income.

45. The Market Economic report concludes:

'The wider social and community impacts of the proposed community multi-use stadium are complex and multifaceted, and they are expected to be positive. This is in large part due to the stadium precinct's unique operating model with community access and use, with a periodic commercial event overlay.'

- 46. Among the positive benefits that the Market Economics report identifies are the following.
 - An expanded range of high-profile sporting matches, festivals, concerts and community
 events will create opportunities for social interaction and will lift community wellbeing.
 - The availability of social amenity contributes to a better quality of life through reduced stress, improved physical and mental health, and a sense of community support.
 - The exhibition centre will result in increased court hours being freed up at the Mercury Arena, thereby allowing for more community sport access for basketball, volleyball, netball, futsal, and pickleball.
 - The proposed community stadium supports the creation of a compact, high-amenity urban form which is consistent with urban intensification.
 - The proposed community stadium supports other regeneration and development projects in the central city.
 - The capacity and use of the proposed community stadium supports an increasing diversity of patrons and an increasing diversity of cultural experiences.
 - The proposed community stadium helps to build an increased sense of pride and sense
 of place, factors which support community resilience and community environmental
 stewardship.
- 47. Among the risks, fears, and negative impacts that the Market Economics report identifies are:
 - Disruption, noise and other temporary impacts during the construction phase.
 - Displacement of existing users leading to a loss of connection with the site, and a diminishment of any sporting heritage and history associated with the site.
 - Negative impacts of large events such as increased traffic, noise, congestion and crime.
 - The cost and funding of the project and the distribution of benefits across the community.
- 48. The Market Economics report identifies that impacts (positive and negative) occur predominantly within the Tauranga city but that there are also benefits that affect the wider sub-region. The report also assesses that there are small benefits across the wider region.

Funding, affordability and operating costs (1 May 2023 resolution (d))

Capital costs

- 49. The estimated total capital cost for the stadium per the preliminary business case presented on 1 May 2023 was \$220,272,000. That figure included a contingency allowance of 20% and escalation costs to 2026 (assuming a construction period of the 2026 and 2027 financial years).
- 50. At the time that report was written, it was noted that 'these costs are based on the high-level concept design for the Stadium, and as a result do not have detailed engineering input (e.g. geotechnical investigations have not yet been completed for the site)'.
- 51. The only update to these capital costs since May relates to further consideration of pile design and ground stabilisation. This work has been undertaken by Maltbys NZ, quantity surveyors, who were also involved in the development of the preliminary business case.
- 52. There are two elements to the update. Firstly, the original costing in the preliminary business case included \$11.1 million for piling and ground beams, based on early sketch designs for the western stand only. Following a draft preliminary geotech report prepared by Beca in late May 2023, this figure has been adjusted to \$20.1 million.

- 53. Further on-site testing is scheduled to occur later in 2023. After this testing, the draft preliminary geotech report will be finalised. The results of this testing should indicate whether the additional \$9m risk allowance is needed.
- 54. Secondly, there is the possibility that further embankment stabilisation may need to occur. If this is the case, an additional risk-related budget of \$19.1 million has been calculated as being appropriate. Further work on design and alignment on the site will help to determine whether this additional budget is necessary.

Operating costs

55. There has been no further work on operating costs since the preparation of the preliminary business case. Only once further substantive work has been completed on the design will there be meaningful information upon which to update the operating costs. If the 'deferred stadium option' identified below is further explored, operating costs will need to be updated to reflect this.

Funding

- 56. An initial and high-level funding assessment has been prepared and is included as **Confidential Attachment 4**. That assessment includes assumptions relating to funding from the Lottery Grants Board, key funding partners, gaming and community trusts, and corporate and philanthropic sponsors. These assumptions currently amount to a minority of the total funding required. The balance would likely be needed to be sourced from further fundraising, central government, local government, and/or loans.
- 57. Led by Priority One, investigations have commenced regarding the establishment of a fundraising charitable trust. Such a charitable trust would have tax benefits for potential donors and as such may help generate additional external funds for community amenity projects such as Te Manawataki o Te Papa, as well as the proposed community stadium.
- 58. Priority One and council staff are also actively seeking commercial and external funding opportunities that will benefit the construction and ongoing operation of the proposed community stadium.

Relocation costs

- 59. An assessment of potential relocation costs has been completed by Stellar Projects (consultants who are supporting the active reserves master planning process). This assessment includes:
 - Construction costs for the relocation of the athletics track (once it has reached end-oflife) and associated infrastructure (including a shared-use pavilion, ablution block, and seating) to Baypark.
 - Construction costs of the relocation of the bowls lawns and associated infrastructure (including parking and an ablution block) to Tauranga South.
 - Construction costs of the relocation of the croquet lawn (site selection currently under investigation), including an ablution block.
 - Additional work at the Tauranga Domain associated with re-working the site. This
 includes relocating the cricket nets, developing a cultural trail, developing a community
 walking/running track, establishing a new playground, and improvements to the cricket
 oval (collectively referred to below as 'Tauranga Domain Sundries').
 - Allowances for preliminary and general contract costs, planning costs, design costs and so on for each of the above projects.
 - A 35% contingency allowance on all of the above costs.
 - An overall allowance for optimism bias and a quantified probable risk allowance (covering elements such as unknown ground conditions, unknown constructability etc.), calculated using council's capital project cost estimation tool (the largest element of the risk allowance relates to the construction of the athletics track at Baypark as that is where the largest number of unknowns arise).

- The purchase (already completed) of a property in Tutchen Street to facilitate the bowls move.
- 60. The total relocation costs identified above have been estimated as follows.

	\$million
Relocate athletics track and build associated infrastructure	14.884
Relocate bowls lawns and build associated infrastructure	0.728
Relocate croquet lawn and build associated infrastructure	3.085
Tauranga Domain sundries	4.853
Optimism bias and quantified probable risk allowance	5.600
Property purchase (completed)	3.000
Total	32.150

61. Current draft Long-term Plan budgets include some provision for the athletics track and bowls moves as part of the wider master-planning of active reserves.

Potential ownership and delivery structures (1 May 2023 resolution (g))

62. Work is ongoing regarding both ownership and delivery structures.

Operating model

- 63. The assumption in the preliminary business case is that Bay Venues Limited are best placed to operate the proposed community stadium once built. That assumption remains.
- 64. Bay Venues Limited have a team of skilled and experienced professionals that currently work in planning, developing, and delivering events and providing for extensive community use of facilities. The in-house Bay Catering, Bay AudioVisual, ticketing relationships, and facilities team have successfully managed indoor and outdoor events at Mercury Baypark, Baywave Aquatic Centre and other venues for many years.
- 65. Bay Venues limited have strong existing relationships with promoters, event organisers, council's events team, and key local partners all of which position them well to operate the proposed community stadium within the wider network of sporting and community facilities that they currently operate.

Project delivery

- 66. Te Manawataki o Te Papa Limited has now been established to deliver the Te Manawataki o Te Papa (the heartbeat of Te Papa, the redevelopment of the civic precinct) capital projects. Discussions will continue with the Te Manawataki o Te Papa Limited Board regarding the suitability of that company also leading the delivery of the construction of the proposed community stadium, if and when that occurs.
- 67. Other options for project delivery include in-house by council or contracted out to another entity.

Ownership

- 68. No formal discussions have commenced regarding the long-term ownership of the proposed community stadium. Options that will need to be further explored include:
 - Direct ownership by council.
 - Indirect ownership by council through Bay Venues Limited (a council-controlled organisation).
 - Ownership by a not-for-profit third party, potentially a community-led charitable trust.
 - Independent commercial ownership.
 - Other ownership models.

69. Once direction is received on the likely timing of construction and therefore future operations, discussions regarding ownership are likely to commence.

DEFERRED STADIUM OPTION

- 70. As part of ongoing stakeholder engagement on the masterplan for the Tauranga and Wharepai Domains, an alternative approach to the re-development of the Domains and the development of the proposed community stadium is emerging. [A report titled *Active Reserves Masterplans* and including the Deferred Stadium Option concept is scheduled to be included on the agenda of the Council meeting of 4 September 2023.]
- 71. The vision for the Tauranga Domains is that they become a premier events space, as well as continuing to provide for community sport and recreation. The current preliminary masterplan positions the proposed community stadium as the centrepiece of that transition. However, if the Community Stadium were to be deferred, there are still worthwhile changes that can occur to enable the site to evolve, enabling greater use for events, and enabling more effective use of the space by community sports groups.
- 72. The alternative 'Deferred Stadium Option' masterplan seeks to capture this transition, rather than being a fixed view of the future. It proposes the following key changes to the site over the next few years.
 - (a) The athletics track relocated to Baypark, albeit at a later date than envisaged at the time of the preliminary masterplan. With the track reaching its need for renewal around the end of this decade, a decision will need to be taken as to its future no later than 2028. Irrespective of the proposed community stadium, a relocated athletics facility is considered to be beneficial for the athletics community in the medium-term and for the use of the Domains by other sports groups, casual users of the space, and as events space.
 - (b) The Tauranga Lawn Bowls club relocated, with the building becoming available to other sports user groups, noting that the alternative masterplan continues to propose demolition of the buildings behind the current stand. Dialogue with Tauranga Lawn Bowls is underway in respect of opportunities for relocation.
 - (c) Tauranga Croquet Club retained on the site, at least until the end of the current lease period to 2029, unless a suitable alternative site for the relocation of the club can be agreed with the club prior to that date. Alternative sites are under active investigation.
 - (d) Retention of the Tauranga Lawn Tennis Club as it is currently, without moving the two courts proposed through the preliminary masterplan. The tennis club would benefit from additional parking onsite during regular use periods.
 - (e) Improvements to site access and movement through the site for vehicles servicing events, including additional hardstand spaces where the bowls greens, and buildings behind and beside the grandstand are located. This is expected to be available for regular site users outside of events.
 - (f) Improvements to the Wharepai Domain and building to enable more community sport use and events use.
- 73. The above proposed approach opens the possibility of a staged approach to constructing the proposed community stadium. As other moves occur on the site, building may be able to commence on aspects of the stadium. Further work needs to be undertaken on what this staging may look like.
- 74. No detailed costings have yet been undertaken on the concept of deferring and staging the development of a proposed community stadium. Such work would need to be undertaken before final decisions are made regarding including such an approach in the Long-term Plan 2024-2034. It is likely that this work would show that staging the development of the proposed community stadium would result in overall higher capital costs, but that those costs could be spread out over a longer time period and therefore, be more able to be accommodated in Council's financially constrained Long-term Plan 2024-2034 (and potentially in years beyond 2034).

75. To this end, if the 'Deferred Stadium Option' is preferred by Council, approval for unbudgeted loan-funded operating expenditure will be sought in this (2023/24) financial year of a maximum \$900,000 to further progress design concepts, and to better understand construction, operation, and financial impacts under this approach. Such information would be made available to Council before the 2024-2034 Long-term Plan is adopted in April 2024.

STRATEGIC / STATUTORY CONTEXT

- 76. The proposed community stadium aligns and supports key Tauranga City Council strategic planning documents, including:
 - Our Direction Tauranga 2050 (including the City Vision)
 - Tauranga City Council Community Outcomes
 - Sport and Activity Living Strategy (2012)
 - Te Papa Spatial Plan 2020
 - City Centre Action and Investment Plan 2022-2032
 - Tauranga Events Action and Investment Plan 2022-2032
 - Our Public Places Strategic Plan 2023
 - Play, Active Recreation, and Sport Action and Investment Plan 2023-2033
 - Masterplans for Wharepai and Tauranga Domains, Baypark and Blake Park 2022.
- 77. It also aligns with sub-regional, regional and national strategies, most notably the Urban Form and Transport Initiative, SmartGrowth, the Bay of Plenty Spaces and Places Strategy, the Living Standards Framework, and Sport New Zealand's Strategy Plan 2020-2024.
- 78. Delivery of the proposed community stadium could support the strategies and plans above by:
 - Contributing to the vibrancy of the city centre, complementing and enhancing other proposed city centre initiatives such as Te Manawataki o Te Papa and the Memorial Park to city centre coastal connection.
 - Addressing the city's growing demand for open space by optimising the use of the Domain. The proposed Stadium project forms part of Council's wider work to consider the future use of shared green spaces across the city.
 - Complementing the overall city facility network by providing light exhibition space which frees up Mercury Baypark for increased community use.
 - Providing a sub-regional facility in a central location, connecting in with public transport routes to minimise the need to travel via car to the stadium for events, and maximising the population catchment serviced by the stadium (rather than locating it on the outskirts of the city).
- 79. For a more detailed discussion of how the proposed community stadium could deliver on strategic objectives for the city and the region, refer to the Strategic Case included within the preliminary business case¹.

OPTIONS ANALYSIS

- 80. In considering the matters covered in this report there are several interconnected issues that need to be considered when developing options. These issues are:
 - (a) Whether Council supports the concept of the proposed community stadium for Tauranga.
 - (b) If so, whether Council supports inclusion of funding for the proposed community stadium in the draft Long-term Plan (and how much that funding should be).

¹ Pages 13-40 of Attachment 2 to the 1 May 2023 Council report, available <u>here</u> on council's website

- (c) If so, whether Council supports the single-stage approach to development contemplated in the programme business case, or whether a staged approach is preferred.
- (d) Whether the timing of any construction is as per the preliminary business case or deferred.
- (e) Whether limited funding should be allocated in the draft Long-term Plan (or earlier) to enable continued work on the project to develop concept options, which would then enable staging and cost opportunities to be explored further with all user groups.
- 81. Consideration of these various issues leads to the development of the following key options for consideration (recognising that within options there are potential sub-options regarding timing):
 - Option 1 include the proposed community stadium in the draft Long-term Plan and budgets and consult (per the preliminary business case approach, to be completed by 2027).
 - Sub-option 1a same but with later timing.
 - Option 2 include the proposed community stadium in the draft Long-term Plan and budgets as a staged development and consult (with timing to be determined).
 - Option 3 do nothing do not include the proposed community stadium in the Long-term Plan and do not consult on it through the Long-term Plan Consultation Document.

Option 1 – Single stage construction proposed in the draft Long-term Plan and budgets

- 82. This option involves taking the approach included in the preliminary business case and working towards an immediate start to construction. Key elements include:
 - Single-stage development of a community stadium at the Tauranga Domain including:
 - a boutique community stadium with 7,000 permanent seats and provision for 8,000 temporary seats (circa 5,000 being prefabricated seating modules)
 - o a light exhibition centre (circa 2,000m² exhibition space plus support facilities)
 - o a function centre (circa 1,300m²)
 - o a community multi-sport facility (circa 400m² of changing room and lounge space)
 - a sports science / physiotherapy facility (circa 250m² dedicated space and shared spaces).
 - Relocation of existing athletics, bowls and croquet facilities as quickly as possible.
 - Construction predominantly in the 2026/27 and 2027/28 financial years².
 - Operations commencing in the 2028/29 financial year.
 - Capex budget of \$220 million, plus \$9 \$28 million of additional risk-related budget for pile design and ground stabilisation.
 - Additional costs of approximately \$32 million to relocate existing users to new facilities on alternate sites (some of which is already budgeted).
 - An annual rating contribution of approximately \$15 million to cover debt servicing and depreciation (per the preliminary business case the proposed community stadium generates a small – circa \$1 – \$2m – operating surplus in each of the first 10 years of operation).

² Note that the preliminary business case suggested capital construction in 2025/26 and 2026/27 but that was predicated on project and funding approval in July 2023. With approval now not likely until the final Long-term Plan is adopted in April 2024, all dates have been pushed back by one financial year.

83. Advantages and disadvantages of this option include:

Advantages of Option 1 **Disadvantages of Option 1** Responds to those in the community Further prioritisation of council's capital who support a community stadium and programme will be required to create the the additional amenity it will provide for financial capacity to support this project alongside all other competing priorities. the city. Maintains momentum in a project with Potential further disruption to the city strong stakeholder support. centre area at the same time as Te Manawataki o Te Papa, and other public Positive signal of intent to future funding and private development initiatives are partners in public, private, and charitable taking place in the vicinity. Significant additional rating impost from Provides the community a clear proposal 2028/29 onwards. to consider through the 2024-2034 Longterm Plan consultation period.

- 84. Risks associated with this option are as included in the preliminary business case and summarised below in the 'legal implications / risks' section of this report.
- 85. This option is **not** recommended.

Option 1a - Single stage construction but with a deferred start date

- 86. This option involves the same approach as Option 1 but with a further delayed start date. This is to avoid the extreme pressure on council's balance sheet currently evident in the first four years of the 2024-2034 Long-term Plan period, and to allow more time to seek alternative funding sources.
- 87. For the purposes of this paper, a construction period of 2029/30 to 2031/32 has been identified as a potential timeframe (a four-year delay compared to Option 1), but other deferred start dates could equally be considered. This timing is consistent with the expectation that the existing athletics track at the Tauranga Domain will be end-of-life by the end of this decade and that a replacement will have been constructed at Mercury Baypark by then.
- 88. Under this option, budget for design fees of \$20 million (approximately 10% of total capital expenditure) is sought to be spread equally across the 2024/25 and 2025/26 years to enable current progress to continue on the project, and to ensure detailed designs are ready when the construction funding is available.
- 89. Advantages and disadvantages of this option include:

Advantages of Option 1a Disadvantages of Option 1a Responds to those in the community Slows momentum in a project with strong who support a community stadium and stakeholder support. the additional amenity it will provide for Weaker signal of intent to future funding the city, albeit in a delayed manner. partners in public, private, and charitable Provides additional time to establish sectors. fundraising opportunities. Significant additional rating impost from Provides the community a clear proposal 2032/33 onwards. to consider through the 2024-2034 Long-Cost escalation implications of delaying term Plan consultation period, albeit in a construction by four years. timeframe that is less urgent. Provides additional time to further prioritise council's long-term capital programme to ensure financial capacity.

- Construction from 2029/30 avoids crossover with the Te Manawataki o Te Papa project.
- Additional timeframe allows for a more measured relocation process for existing facilities, including enabling the existing athletics track to reach end-of-life stage before being removed.
- 90. Additional risks associated with this option (comparted to Option 1) include increases to the risk of future political change affecting the project, and increased risk of cost escalations significantly affecting the business case.
- 91. This option is **not** recommended.

Option 2 - Staged implementation plan for the community stadium

- 92. This option involves the potential staged development of the community stadium in a manner that ultimately achieves the ambition championed in the preliminary business case, but executed in a staged manner rather than as a single-stage project.
- 93. The details of such a staged implementation process are not yet available. However, it is possible, for instance, that the three main elements of the proposed stadium (the east stand including food and beverage, admin, broadcast, and public facilities; the south stand and concourse; and the west stand including exhibition and function spaces as well as player facilities) could be built in separate construction phases.
- 94. Very early estimates for a staged implementation plan approach indicate the following possible scenario:
 - A stand-by-stand approach, starting with the east stand (plus necessary ancillary work).
 - Staged relocations of existing users consistent with the approach proposed under the section of this report above titled 'Deferred Stadium Option'.
 - Construction of the first stage to occur between 2029/30 and 2031/32.
 - Construction of further stages to be beyond the 2024-2034 Long-term Plan period (i.e. in years 2034/35 and onwards).
 - Reduced capital expenditure in the 2024-2034 period of approximately \$70 million (plus the relocation costs separately identified in this report).
 - The \$70 million of capital expenditure to be funded \$40 million from rates-funded loans and \$30 million from other sources.
 - An increased overall project cost due to the staged nature of design and delivery.
 - Additional operating costs in the period before the stadium is fully complete and operational (the facility is thought to be less likely to be able to meet its operating costs when it is only partially complete).
 - Reduced debt servicing and depreciation costs in the short term as a direct result of the reduced capital costs.
- 95. If this option is preferred, further work will be done on this in order to better inform Council when it deliberates on Long-term Plan submissions in the first quarter of 2024.
- 96. Under this option, budget of \$900,000 (opex) is sought in the 2023/24 (current) financial year to enable further development of staged-delivery concept options, as well as additional design work, and then cost management opportunities and construction staging to be explored. Providing budget in 2023/24 would effectively be 'unbudgeted expenditure' (as the 2023/24 Annual Plan has already been adopted) and would therefore be required to be separately resolved by Council.

97. Advantages and disadvantages of this option include:

Advantages of Option 2 **Disadvantages of Option 2** Responds to those in the community Slows momentum in a project with strong who support a community stadium and stakeholder support. the additional amenity it will provide for Weaker signal of intent to future funding the city, albeit in a delayed and staged partners in public, private, and charitable manner. sectors. Provides additional time to establish Cost escalation implications of delaying fundraising opportunities. construction by four years. Provides the community a proposal to Cost increase implications by staging the consider through the 2024-2034 Longdelivery of the project over an extended term Plan consultation period, albeit in a timeframe. timeframe that is less urgent. Reduced additional rating impost from 2032/33 onwards. Significantly reduced pressure on council's long-term capital programme and financial capacity. Construction from 2029/30 avoids crossover with the Te Manawataki o Te Papa project. Additional timeframe allows for a more measured relocation process for existing facilities, including enabling the existing athletics track to reach end-of-life stage before being removed.

- 98. An additional challenge with this option is that at the time of writing, there are limited details as to what the programme of work for this option could look like. This will be addressed before the adoption of the 2024-2034 Long-term Plan, if resources are allocated to enable it.
- 99. Because of the balance between responding to momentum and community support for the project and fiscal prudence, this option is **recommended** for the purpose of public consultation through the 2024-2034 Long-term Plan process.

Option 3 – No further action at this stage

- 100. Under this option, and after carefully considering the preliminary business case, the results of the public engagement process, and other available information, Council would decide not to proceed with inclusion of any form of proposed community stadium project in the 2024-2034 Long-term Plan process and consultation document. From a council perspective, the project would stop and no further investment would be considered.
- 101. Note, however that even under this option, the proposed masterplan for the Tauranga and Wharepai Domains would still be considered by Council and any changes (other than the proposed community stadium) that are adopted would be actioned. This potentially includes many or all of the moves described under the section of this report above titled 'Deferred Stadium Option'.
- 102. Advantages and disadvantages of this option include:

Advantages of Option 3	Disadvantages of Option 3	
No further pressure on council's long- term capital programme and financial capacity.	Does not respond to those in the community who support a community stadium and the additional amenity it will provide for the city.	

- No additional rating impost in future years.
- No further significant construction disruption to city centre.
- No stadium development allows for a more measured relocation process for existing facilities.
- Halts momentum in a project with strong stakeholder support (or significantly slows momentum if other stakeholders continue without council's support).
- Does not provide the community a clear proposal to consider through the 2024-2034 Long-term Plan consultation period.
- 103. There are few risks with this 'do nothing' option.
- 104. This option is **not** recommended.

FINANCIAL CONSIDERATIONS

- 105. Council is currently under significant financial pressure, both in terms of its balance sheet and borrowing capacity, and on the community's ability to absorb increased rates. Council is committed to significant community amenity upgrades in the city centre via the Te Manawataki o Te Papa project, in its aquatic and indoor sport networks, and in its active reserves through the master planning work. The proposed community stadium complements all of these developments but imposes additional costs on council and ultimately the ratepayer.
- 106. As outlined above, the preliminary business case identified that the capital costs of a single-stage stadium development would be \$220 million (based on construction in 2025/26 and 2026/27). In addition, further information suggests a risk allowance of between \$9 \$28 million relating to ground stabilisation should be allowed for. Funding plans to date indicate that some of this may be met by third party funders but that the majority of capital costs would need to be met by central government, local government, and/or by further fundraising efforts.
- 107. The preliminary business case also identified that approximately \$15 million per annum would need to be rates-funded to ensure debt servicing and depreciation costs for the stadium could be met.
- 108. The recommended option (Option 2 staged implementation plan) was not contemplated within the preliminary business case and as such has had little exploration from a financial perspective. Details disclosed above about the option are very early-stage thinking. However, it is intuitive that a staged implementation will ultimately incur more capital expenditure than a single-stage delivery of the same facility (due to increased time-based escalation costs, additional site establishment / disestablishment costs, and so on).
- 109. Similarly, the preliminary business case did not contemplate the ongoing operational costs of a facility delivered in a stage manner over a number of years. As such, the information provided in the options section in this regard has a very low level of confidence attached to it.
- 110. To enable staff and the wider project team to provide better information for the Long-term Plan deliberations process in the first quarter of 2024, additional budget of \$900,000 is sought in the 2023/24 year. Because this budget is not provided for in the 2023/24 Annual Plan (adopted by Council on 3 April 2023), additional budget needs to be considered through a separate resolution of Council. This is provided for in the Recommended Resolutions in this report.

LEGAL IMPLICATIONS / RISKS

- 111. Project risks are comprehensively set out in the preliminary business case³ and are managed on an ongoing basis by the project team. Risks identified in the preliminary business case with a 'residual risk' assessment (i.e. after known mitigation actions have occurred) of 'medium' (on a scale of very high, high, medium, low) are as follows:
 - Lack of appropriate engagement with stakeholders during design phase
 - Cost escalations pre-tender
 - Cost escalations during construction
 - Political changes reduce support for the project
 - Contractor capacity
 - Contractor capability
 - · Geotechnical conditions are worse than anticipated
 - Disruption and traffic management during construction
 - Club displacement
 - Site is found to be susceptible to natural hazards
 - Supply chain constraints.
- 112. There were no risks identified in the preliminary business case with a residual risk higher than 'medium'.

SIGNIFICANCE

- 113. The Local Government Act 2002 requires an assessment of the significance of matters, issues, proposals and decisions in this report against Council's Significance and Engagement Policy. Council acknowledges that in some instances a matter, issue, proposal or decision may have a high degree of importance to individuals, groups, or agencies affected by the report.
- 114. In making this assessment, consideration has been given to the likely impact, and likely consequences for:
 - (a) the current and future social, economic, environmental, or cultural well-being of the district or region;
 - (b) any persons who are likely to be particularly affected by, or interested in, the proposal; and
 - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
- 115. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the proposal is of high significance.

ENGAGEMENT

116. Taking into consideration the above assessment, that the proposal is of high significance, officers are of the opinion that any decision to contemplate funding in the Long-term Plan 2024-2034 for the proposed community stadium should be highlighted in the Long-term Plan Consultation Document and proceed to full public consultation in accordance with section 93A of the Local Government Act 2002.

Click here to view the TCC Significance and Engagement Policy

³ See pages 117-122 of the preliminary business case included as Attachment 2 to the 1 May 2023 Council report, available here">here on council's website

NEXT STEPS

117. Decisions made on this report will be reflected in the Long-term Plan Consultation Document and ongoing Long-term Plan preparation as appropriate.

ATTACHMENTS

- 1. Community Stadium Demographic Survey Final Report A14942616 🗓 🖼
- 2. Community Stadium Public Consulation Analysis A14940775 J
- 3. Tauranga Stadium Social Impact Assessment Final Report A14955967 🗓 🖺
- 4. High level funding assessment June 2023 A14940820 Public Excluded

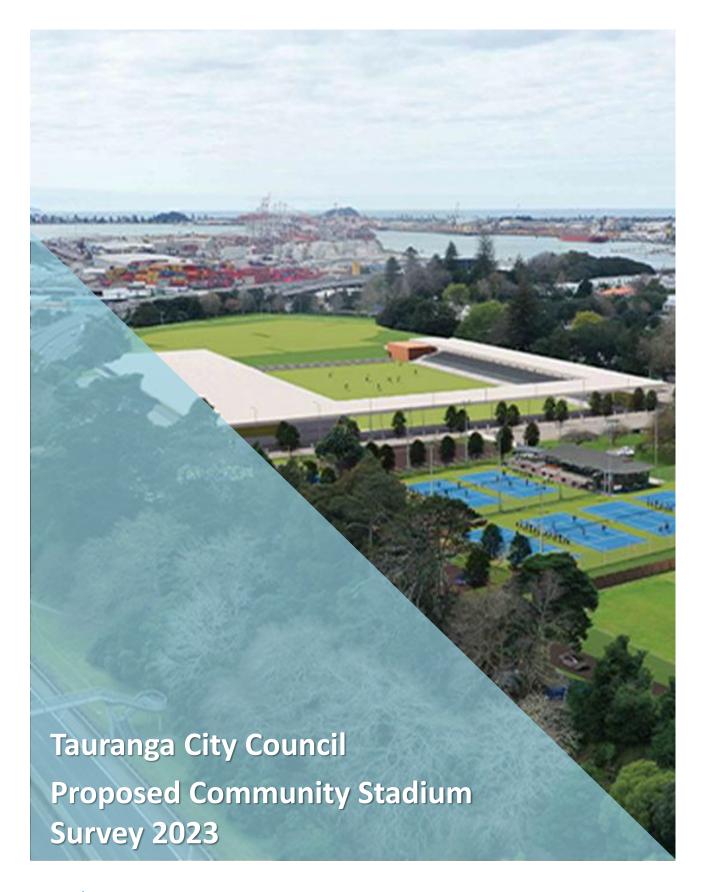










Table of Contents

Introduction, Objectives and Method	3
Key findings	4
Extent of support for the proposed community stadium	6
Extent of support for a proportion of the funding of the proposed community stadium to come from annual rates	9
Verbatim comments - Benefits	12
Verbatim comments – General and disadvantages	15
Sample	20

Page 2





Introduction, Objectives and Method

Introduction:

Tauranga City Council (TCC) has a need to determine the level of support within the Tauranga City area for a proposed community stadium to be built at Tauranga Domain.

Research Objectives:

- To determine in principle support for a stadium at Tauranga Domain.
- To ascertain the levels of willingness for a proportion of the funding of the proposed community stadium to come from annual rates.
- To determine the level of understanding and economic value placed in the construction and function of the stadium.
- To determine the level of understanding and value placed in the community and social well-being benefits of the stadium.

Method:

- The methodology involved a postal to online survey, with a hard copy questionnaire available upon request. An invitation letter containing an embedded link and a QR code to an online survey was posted to a randomly selected sample of residents determined by way of the Electoral Roll in the Tauranga City area.
- A total of 10,000 invitations were sent for a target sample of n= 1,000. A sample of n=1198 was
 achieved. At an aggregate level, the sample has an expected 95% confidence interval (margin of
 error) of +/- 2.8%.

Other notes:

- Responses are reported excluding *Don't know* responses unless otherwise specified.
- Post data collection the sample has been weighted so it is exactly representative of key population demographics based on the 2018 Census.
- Due to rounding, percentages may add to just over or under (+/- 1%) totals.
- Significant differences between demographics are marked where relevant.

Between demographics Significantly higher Significantly lower

Page 3





Key findings (1)

• Support for the proposed community stadium overshadows opposition to the stadium although the profile of responses is somewhat polarised. Opposition to the proposed stadium becomes more pronounced when respondents were asked whether they would support the stadium if a proportion of their rates were to fund the stadium.

Overall extent of support for the proposed community stadium (Total sample)

Strongly support 27% 49% Somewhat support 22% Neither support nor oppose 8% Somewhat oppose 11% 43% Strongly oppose 32%

Overall extent of support a proportion of the funding of the proposed community stadium to come from annual rates (Total sample)

Strongly support	9%	30%
Somewhat support	21%	
Neither support nor oppose	13%	
Somewhat oppose	13%	
Strongly oppose	44%	57%

 Of the 49% in support of the stadium the level of support for a proportion of the funding of the proposed community stadium to come from annual rates is much greater than the total sample. In addition, the level of opposition to a proportion of the funding of the proposed community stadium to come from annual rates is much lower than the total sample:

Of those who support the proposed community stadium (49%): To what extent do you support or oppose a proportion of the funding of the proposed community stadium to come from annual rates?

Strongly support	19%	
Somewhat support	39%	58%
Neither support nor oppose	17%	
Somewhat oppose	12%	24%
Strongly oppose	12%	24/6

- Male respondents, overall, are more likely to *Strongly support* the proposed community stadium, compared to female respondents (34% and 21% respectively). The same can be said for *A proportion of the funding of the proposed community stadium to come from annual rates*, with male respondents (12%) more likely to state they support this than females (7%).
- One-half of all female respondents Strongly oppose a proportion of the funding of the proposed community stadium to come from annual rates (50%).
- For both questions testing levels of support (extent of support for the community stadium, then extent of
 support for funding of the stadium through a proportion of annual rates), respondents aged between 1824 are the least likely of all age groups to Strongly support or Strongly oppose and have the highest level
 of ambivalence; Neither support nor oppose.

Page 4

Item 11.1 - Attachment 1 Page 35





Key findings (2)

- One-third of respondents identifying as Māori (33%) Strongly support the proposed community stadium
 while 30% Strongly oppose. However, when it comes to a proportion of the funding for the stadium
 coming from annual rates, Māori respondents Strongly oppose this (42%) compared to 11% who Strongly
 support.
- Respondents stated both benefits/positive aspects and disadvantages/negative aspects to questions
 about perceived economic and community or social well-being benefits of the construction and use of the
 proposed stadium. The largest grouping of perceived economic benefits (19%) was *Increased*tourism/visitation to Tauranga. 17% stated that there would be a *Positive impact on business/hospitality*,
 with 17% also stating that the stadium could *Bring performers / different events to the city*. A proportion
 of respondents (19%) stated that there would be *No economic benefits*.
- The largest grouping of community or social wellbeing benefits was *A place for social groups to meet/social events/bringing the community together* which was stated by 15% of respondents who provided a response.
- 22% of respondents made general comments in support of the proposed community stadium. Despite this, many had *Concerns around parking*, and there were also comments to the effect that the *Stadium is not a priority/other things to address first*.

Page 5



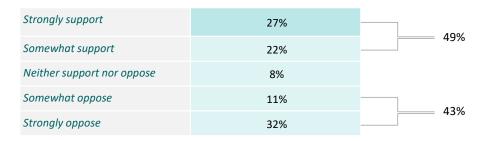








To what extent do you support or oppose the proposed community stadium at Tauranga Domain?



Ratepayers

Responsible for paying rates to TCC	Strongly support	Somewhat support	Neither support nor oppose	Somewhat oppose	Strongly oppose
Yes	29%	22%	6%	11%	33%
No	23%	22%	15%	12%	28%

- · Both ratepayers and non-ratepayers have a higher level of strong opposition to the stadium than strong support.
- Ratepayers have a slightly stronger level of polarisation than non-ratepayers. Non-ratepayers have a greater
 percentage of respondents who Neither support nor oppose the stadium than ratepayers (15% and 6%
 respectively).

Age

Age	Strongly support	Somewhat support	Neither support nor oppose	Somewhat oppose	Strongly oppose
18-24	25%	18%	19%	14%	24%
25-34	31%	24%	9%	8%	27%
35-44	37%	24%	6%	11%	23%
45-54	30%	23%	5%	12%	29%
55-64	26%	22%	8%	11%	33%
65+	18%	20%	7%	11%	44%

- Respondents aged over 55 years are much more likely to *Strongly oppose* the proposed community stadium than those in younger age groups.
- Those aged 18-24 have the highest proportion of respondents rating their support of the proposed stadium *Neither* support nor oppose (19%). This is more than 10 percentage points higher than other age groups.

NOTES:

- $1. \hspace{0.5cm} \mathsf{Q5.} \hspace{0.1cm} \mathsf{To} \hspace{0.1cm} \mathsf{what} \hspace{0.1cm} \mathsf{extent} \hspace{0.1cm} \mathsf{do} \hspace{0.1cm} \mathsf{you} \hspace{0.1cm} \mathsf{support} \hspace{0.1cm} \mathsf{or} \hspace{0.1cm} \mathsf{oppose} \hspace{0.1cm} \mathsf{the} \hspace{0.1cm} \mathsf{proposed} \hspace{0.1cm} \mathsf{community} \hspace{0.1cm} \mathsf{stadium} \hspace{0.1cm} \mathsf{at} \hspace{0.1cm} \mathsf{Tauranga} \hspace{0.1cm} \mathsf{Domain?} \hspace{0.1cm} \mathsf{N=} 1178 \hspace{0.1cm} \mathsf{n} \hspace{0.1cm} \mathsf{n$
- 2. Q4. Are you responsible for paying rates to Tauranga City Council?
- 3. Q1. Which of the following age groups do you belong to?

Between demographics

Significantly higher Significantly lower





To what extent do you support or oppose the proposed community stadium at Tauranga Domain?

Gender

Gender	Strongly support	Somewhat support	Neither support nor oppose	Somewhat oppose	Strongly oppose
Male	34%	21%	8%	9%	28%
Female	21%	22%	9%	12%	36%

Male respondents are more supportive (34%) of the proposed community stadium compared to female respondents (21%). This is also reflected in the strong opposition noted at 28% for males, and 36% for females.

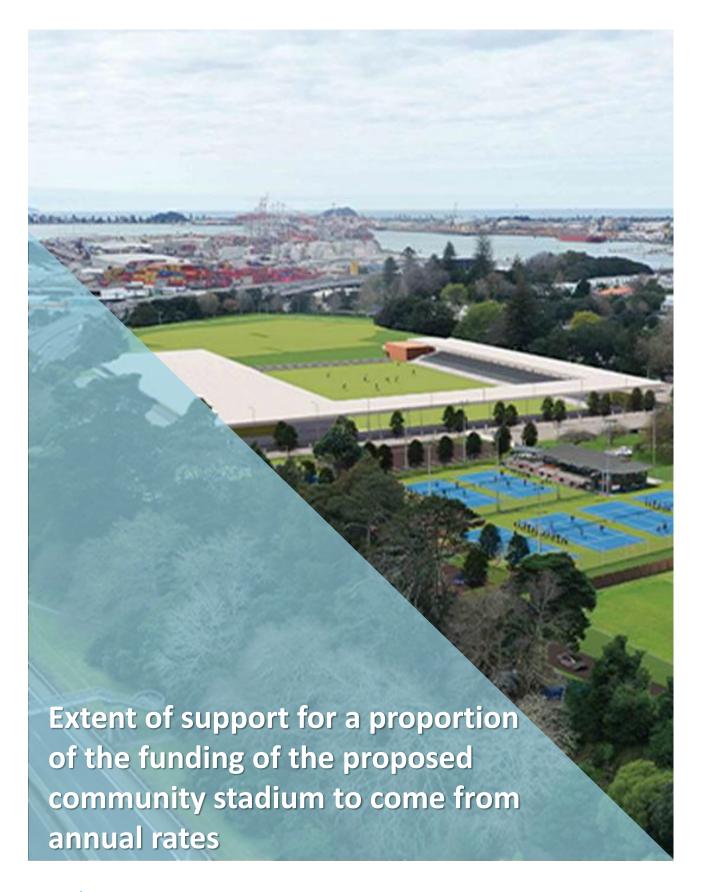
Ethnicity

Ethnicity	Strongly support	Somewhat support	Neither support nor oppose	Somewhat oppose	Strongly oppose
Pākehā / NZ European (n=980)	26%	23%	7%	11%	32%
Māori (n=198)	33%	24%	4%	9%	30%
African* (n=10)	52%	26%	11%	0%	11%
Asian* (n=27)	19%	7%	28%	16%	30%
European (n=80)	19%	17%	14%	16%	34%
Latin American* (n=4)	0%	26%	0%	48%	26%
Middle Eastern* (n=2)	64%	0%	0%	0%	36%
Pacific* (n=12)	44%	5%	16%	19%	15%
Other* (n=16)	15%	41%	4%	0%	40%

- Pākehā / NZ European respondents are more likely to Strongly oppose (32%) the proposed community stadium than Strongly support (26%).
- Those identifying as Māori are much more likely to Strongly support (33%) the stadium than those of other ethnic

- Q5. To what extent do you support or oppose the proposed community stadium at Tauranga Domain? N=1178
 Q2. What is your gender?
- 3. ETH1. What ethnicity do you identify with? Please select all that apply
- * Caution small sample size <30 $\,$

Between demographics Significantly higher Significantly lower



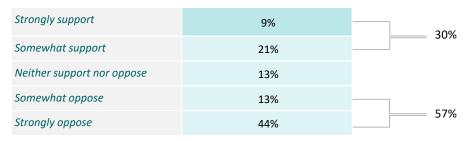








To what extent do you support or oppose a proportion of the funding of the proposed community stadium to come from annual rates?



Ratepayers

Responsible for paying rates to TCC	Strongly support	Somewhat support	Neither support nor oppose	Somewhat oppose	Strongly oppose
Yes	9%	22%	11%	13%	45%
No	11%	18%	17%	12%	42%

- There are no significant differences amongst ratepayers and non-ratepayers in support or opposition to a proportion of funding of the stadium coming from annual rates, with both stating greater levels of opposition than support.
- Non-ratepayers are however more likely to *Neither support nor oppose a proportion of the funding of the proposed community stadium to come from annual rates.*

Age

Age	Strongly support	Somewhat support	Neither support nor oppose	Somewhat oppose	Strongly oppose
18-24	11%	7%	27%	15%	40%
25-34	11%	25%	10%	12%	42%
35-44	11%	22%	14%	12%	41%
45-54	9%	24%	14%	12%	41%
55-64	7%	24%	10%	15%	44%
65+	8%	18%	10%	13%	52%

- Respondents aged 18-24 are more likely to *Neither support nor oppose* a proportion of the funding of the proposed community stadium to come from annual rates (27%) compared to other age groups and are the least likely to *Somewhat support* the idea (7% compared to 18-25%).
- Respondents aged 65+ are the most likely to *Strongly oppose* (52%). Strong opposition is consistently high between other age groups also (40-42%).

NOTES:

- Q6. To what extent do you support or oppose a proportion of the funding of the proposed community stadium to come from annual rates? n=1173
- 2. Q4. Are you responsible for paying rates to Tauranga City Council?
- 3. Q1. Which of the following age groups do you belong to?

Between demographics

Significantly lower Page 10

Item 11.1 - Attachment 1





To what extent do you support or oppose a proportion of the funding of the proposed community stadium to come from annual rates?

Gender

Gender	Strongly support	Somewhat support	Neither support nor oppose	Somewhat oppose	Strongly oppose
Male	12%	24%	13%	13%	37%
Female	7%	18%	12%	13%	50%

- Half (50%) of all female respondents have strong opposition to a proportion of the funding for the proposed community stadium to come from annual rates, whereas only 37% of males strongly oppose a proportion of the funding of the proposed community stadium coming from annual rates.
- Male respondents are more likely to Strongly support, or Somewhat support the idea compared to female respondents, but Strongly oppose is the greatest response for both genders.

Ethnicity

Ethnicity	Strongly support	Somewhat support	Neither support nor oppose	Somewhat oppose	Strongly oppose
Pākehā / NZ European (n=975)	9%	22%	12%	13%	44%
Māori (n=197)	11%	23%	9%	14%	42%
African* (n=10)	16%	0%	37%	27%	20%
Asian* (n=29)	6%	10%	26%	9%	48%
European (n=81)	8%	9%	14%	14%	55%
Latin American* (n=4)	0%	0%	0%	26%	74%
Middle Eastern* (n=2)	64%	0%	0%	36%	0%
Pacific* (n=12)	13%	28%	8%	19%	32%
Other* (n=17)	8%	11%	26%	0%	55%

The response profile to the extent of support to a proportion of the funding for the community stadium to come from annual rates is similar across the largest ethnic groups of Tauranga's population.

NOTES:

- 1. Q6. To what extent do you support or oppose a proportion of the funding of the proposed community stadium to come
- Q2. What is your gender?
- ETH1. What ethnicity do you identify with? Please select all that apply n=1178
- * Caution small sample size <30

Between demographics

Significantly higher Significantly lower Page 11



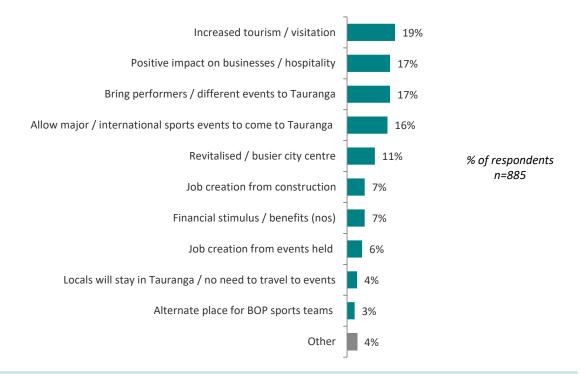








What economic benefits, if any, do you think the construction and the use of the proposed community stadium could bring to Tauranga?



• The most common theme mentioned regarding Economic benefits of the construction and the use of the proposed community stadium could bring to Tauranga is *Increased tourism / visitation* (19%). 17% of respondents who provided a response stated *Positive impacts on businesses / hospitality* as a benefit of the construction and use of the stadium and 17% also stated *Bring performers / different events to Tauranga as a* benefit of the construction and use of the stadium.



- Construction jobs, attraction of big conferences and events. Maybe the long-term attraction of another super rugby team.
- Larger sports games, All Blacks games, large and more frequent festivals and concerts. Revitalise Tauranga CBD.
- Bring more people and business to the CBD.
- Tauranga in general lacks indoor recreational centres. In my opinion we need something like this as the use of an indoor stadium brings many more opportunities and can be used for a variety of events for all ages.
- Attracting sport and cultural benefits. Tourism/ visiting teams supporters spending money in the Tauranga economy. Selling Tauranga to national and international markets.
- Allow overseas entertainers to come to Tauranga. Allow more high calibre sports to come to Tauranga.
- Local dollars staying local for events to be held here instead Hamilton or Rotorua. Bring the central city alive.

"

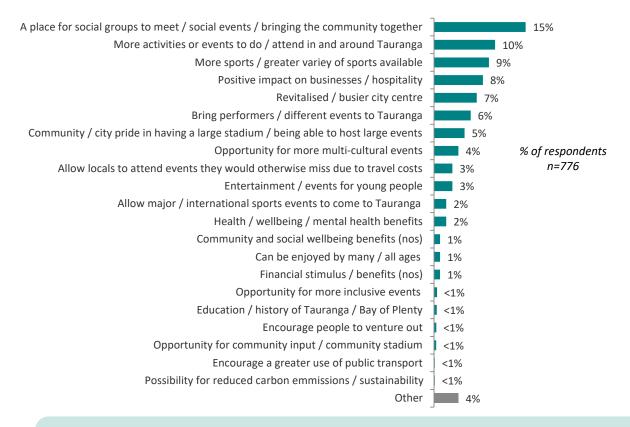
NOTES:

1. Q7. What economic benefits, if any, do you think the construction and the use of the proposed community stadium could bring to Tauranga? n=885





What community or social well-being benefits, if any, do you think the proposed community stadium could bring to Tauranga?



• A place for social groups to meet/social events/bringing the community together was the theme with the highest response (15%). More activities or events to do/attend in and around Tauranga (10%), and More sports/greater variety of sports available (9%) were the next greatest groupings of responses.



- Bringing communities and people together, giving people other choices to assist with their wellbeing and mental health.
- Pride in being able to stage large events.
- Sense of community.
- Would be good for all communities with concerts, and sport.
- It would be great to host more events or larger events. Festivals are great in the summer, and this would help our region boost community wellbeing.
- New sports for our community to be involved in. A great meeting place for family outside of Tauranga. It would become a sporting hub.
- More arts and music events, more community bought into the Auckland city space, not just the Mount. It would be great to have it available for the community use as well, and nonprofit events, through an application process. The paid events could subsidise these events.

"

NOTES:

1. Q8. What community or social well-being benefits, if any, do you think the proposed community stadium could bring to Tauranga? n=776





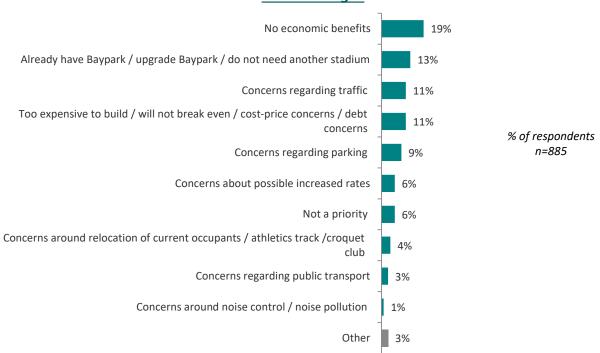






What economic benefits, if any, do you think the construction and the use of the proposed community stadium could bring to Tauranga?

Disadvantages



- No economic benefits is the most common theme (19%).
- Many respondents mentioned that they Already have Baypark/upgrade Baypark/do not need another stadium (13%).



- If it can't make enough money to help pay for the stadium, then I think that's a problem.

 More financial burden for ratepayers.
- Traffic gridlock, parking issues. Economic disadvantages only.
- Considering that we already have a stadium at Baypark I cannot see the need for another one.
- The loss of the existing facilities need to be considered, they bring benefits which could be lost plus the cost to relocate them adds to the future rates or funding.
- Not that many. Would loose the current sporting clubs at this location. No parking for large events. Traffic much worse than it's already crippling situation.
- We already have a stadium. Why not upgrade that.
- The city infrastructure cannot keep up with what we have. Money needs to be spent on our infrastructure first. (Roading first and water supply).
- I think if required money should be spent on the Baypark upgrade, as roaming access to this ground is already in place.
- Not a good idea if the public is to pay for this as people are already struggling to pay for necessities.

"

NOTES:

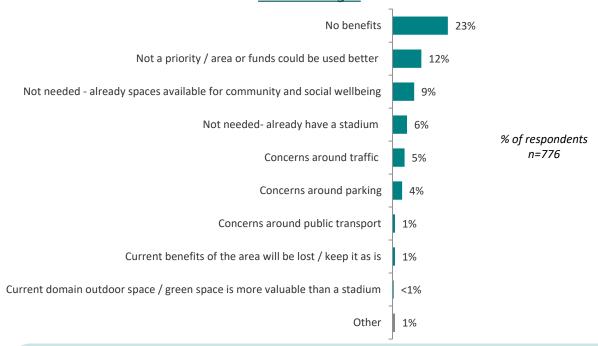
1. Q7. What economic benefits, if any, do you think the construction and the use of the proposed community stadium could bring to Tauranga? n=885





What community or social well-being benefits, if any, do you think the proposed community stadium could bring to Tauranga?

Disadvantages



- No benefits (23%), again, was the most common theme within disadvantages, with Not a priority/area or funds could be used better (12%) as the second most common.
- There are to be a number of respondents who provided insights into the possible disadvantages regarding
 community or social well-being benefits, stating that there are other priorities that Council can and should focus on
 before investing in the proposed community stadium.



- None. It will put more ratepayers on fixed incomes in debt.
- · Leave existing amenities, they bring social and health benefits.
- Baypark is a way better location and will bring benefits to a larger area.
- Community benefits might be likely. However, for social benefits, I think the money would be better spent on the many needs in society.
- None, it's perfectly fine as it is.
- Money could be used for the local residents for housing and roading.
- It will have some improvement on the current fragmented sports facilities, but on its own, it
 will still see Tauranga lagging behind all the major cities in New Zealand, and many smaller
 cities. The location and probable restriction on parking, will probably not be able to attract the
 large numbers for major sporting events. So again, Tauranga will miss out on events, such as
 Super Rugby.
- It wouldn't benefit the majority of families struggling to cover mortgages and rates. Seniors will be losing their clubs and schools their athletic track.

"

NOTES:

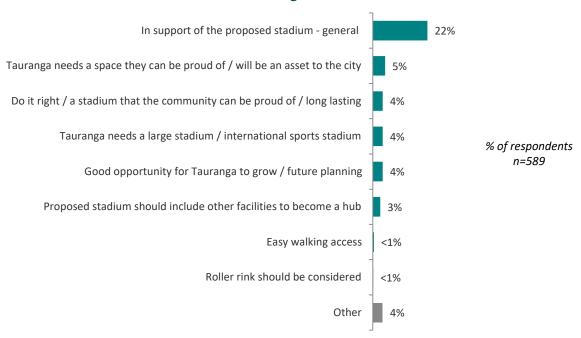
1. Q8. What community or social well-being benefits, if any, do you think the proposed community stadium could bring to Tauranga? n=776





Please provide any further comments or feedback.

Positive and general comments



• 22% of respondents left a general comment in support of the proposed community stadium.



- Do it and do it well. Tauranga will only get larger and the need for a central city stadium is apparent. There will be more high profile, professional teams set up here and many other opportunities that we need to embrace.
- Seems to be a positive step for Tauranga to be making. The city is growing and developing world class facilities that can accommodate the growing community. Providing economic and social benefits for the population is a good thing.
- Excellent idea.
- This stadium is desperately needed. I have travelled the country and the world and seen all sorts
 of venues. Tauranga deserves a community space and stadium so that we can benefit socially
 and economically. Should it go ahead, my family and my business will do all we can to support it.
- Make a community we can all be proud of.
- Whatever the biggest option is, I'd vote for that one. Don't bother wasting the money on a little stadium that only holds like seven thousand seats. If you are going to do it actually do it at twenty thousand plus seats minimum.

"

NOTES:

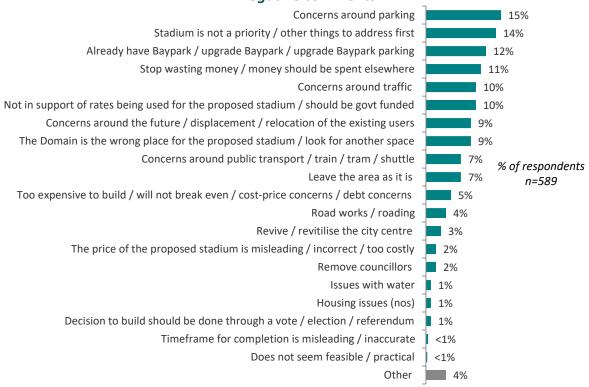
1. Q9. Please provide any further comments or feedback. n=589





Please provide any further comments or feedback.

Negative comments



- 15% of respondents had Concerns around parking in relation to the proposed community stadium.
- Similarly, 14% stated that the Stadium is not a priority/other things to address first. This group of respondents
 believe that it is not the right time for the proposed community stadium, and that there are other things within the
 city and community which should be addressed beforehand.



- Baypark stadium covers all requirements for Tauranga city, Mt Maunganui and the wider western Bay of Plenty area.
- Where would everyone park, there's no parking at the Domain currently.
- This stadium is a luxury that the Tauranga city and ratepayers cannot afford at this time. There
 are far more important issues, transport and roading being the number one issues. There are a
 significant number of retired people who cannot afford the burden of this ratepayer debt and
 who are on limited incomes and unlikely to benefit from the stadium. This is a luxury that might
 be a possibility in the future but certainly not for a number of years. The economy just cannot
 afford this luxury, and this would be irresponsible financial management. Do not spend what
 you cannot afford.
- The biggest concern is access to the area with limited parking and narrow surrounding streets and city congestion whenever large events are hosted.
- I am totally against this proposal. We do not need yet another development that will become
 insufficient for purpose in a few years. Filling up yet another green space in the present climate
 is patently wrong. There are far more pressing needs than this proposal. I would be most upset
 if my rates went to support this proposal.

"

NOTES:

1. Q9. Please provide any further comments or feedback. n=589



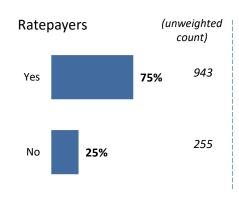


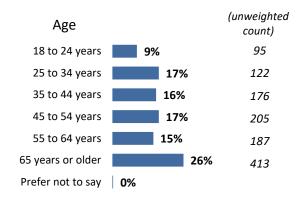






Sample





Ward

Mount MaunganuiPapamoa Ward

Te Papa-Welcome Bay
Ward

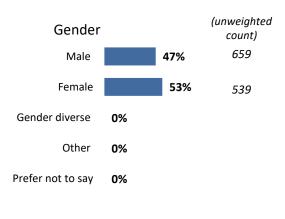
Otumoetai-Pyes Pa
Ward

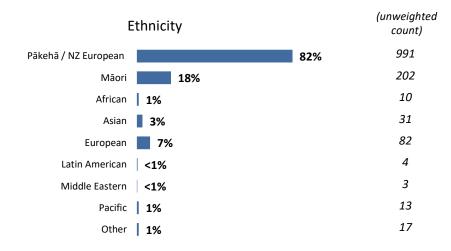
Ward

(unweighted count)

35% 414

27% 313





Page 21





Sample

	Sample	
Suburb	Percentage	Count
Arataki [Bayfair]	4%	50
Avenues	2%	25
Bellevue	3%	34
Bethlehem [Hangarau]	10%	130
Brookfield	4%	45
The City Centre	2%	18
Gate Pa	4%	46
Greerton	3%	33
Hairini	2%	27
Judea [Hūria]	2%	27
Kairua	0%	0
Mangatawa	0%	0
Matapihi	1%	7
Matua	7%	84
Maungatapu	3%	31
Merivale [Parkvale]	1%	17
Mount Maunganui	5%	63
Ohauiti	0%	0
Omanawa	0%	0
Omanu	1%	15
Ōropi	1%	9
Otūmoetai	9%	116
Pāpāmoa Beach	24%	279
Poike	1%	14
Pyes Pā	1%	7
Sulphur Point	1%	11
Tauranga South [Hospital area]	2%	21
Tauriko	1%	17
Te Tumu	0%	0
The Lakes	<1%	2
Wairākei [Pāpāmoa East]	0%	0
Waitao [Pāpāmoa Hills]	0%	0
Welcome Bay	6%	70
Other	0%	0

Page 22

Tauranga City

Analysis of the Community Stadium public consultation data

CONTENTS

- Methodology
- Summary of findings
- Support for a community stadium
- Support for rates funding of a community stadium
- Sample breakdown

METHODOLOGY

- 1. Market research project: TCC contracted an independent market research company (Key Research) to undertake a survey with a random selection of 10,000 Tauranga residents. These residents were selected from the electoral role and each person was mailed a letter. Each recipient could only complete the survey once. TCC staff were excluded from completing this survey. In total 1,198 responses were received and although a random sample was selected, the survey data was then weighted to ensure it fully represented the Tauranga population¹. This data has been reported independently by Key Research.
- 2. Public consultation: TCC the invited the public to complete the same survey, which again was hosted by Key Research, but no restrictions were put in place for the completion of the survey the survey link was an open to anyone and therefore could be used multiple times by any number of people within a family, household, organisation. Those outside of the TCC boundaries could complete the survey, as could TCC staff. The survey was promoted via paid digital advertising, local radio / print and the TCC consultations newsletter. In total, 3,318 responses were received, of which 2,949 responses from were received from people within the Tauranga City boundaries, although these would not be fully representative of the Tauranga population due to the sample self-selecting. This report covers the data from this consulation.
- 3. Weighted consultation data: As with the Key Research project, the open consultation data could be weighted to provide results more representative of the population's demographics breakdown but again, as the sample was self-selecting the results are unlikely to fully match the results from a randomly selected sample i.e. they will not have the same psychographic profile the respondents have a higher likelihood to provide their opinions than the population. For this reason, an analysis of this data has not been included in this report.
- 4. TCC also received 20 direct submissions which have been reviewed and included as part of this consultation.

¹ For all full explanation of Key Research's methodology please refer to the document "Tauranga City Council Proposed Community Stadium Survey 2023"

SUMMARY OF FINDINGS

- 1. Support for the idea of building a community stadium
- (a) Just over a third of respondents support the idea of building a community stadium the Tauranga area (34%) and all respondents (35%).
- (b) Support for the idea of a stadium is strongest amongst the age groups under 44, ranging from 63.9% for 18 to 24 year olds to 56.3% for 35 to 44 year olds
- (c) As the age groups continue to get older support continues to decline, whereas the opposition levels getting stronger as the age groups get older, peaking at 81.1% for the age group over 65
- (d) Males have higher support for the idea of a community stadium than females but still, the majority of males (55.1%) oppose the idea (71.7% of females oppose the idea)
- (e) Within the Tauranga area the most support for the community stadium comes from the Mount / Omanu area (41.5%) with the Welcome Bay area having the highest opposition (69.5%)
- 2. Support for rates funding of the stadium
- (a) Support for funding the community stadium through some form of rates payment was significantly lower than support for the idea of building the stadium– the Tauranga area (26.6%) and all respondents (27.2%).
- (b) Only the 18 to 24 year old age group shows higher support than opposition to using rates to fund the community stadium 50% support compared to 37.5% opposition
- (c) Amongst all the other age groups the opposition to the funding of the community stadium via rates was higher than support
- (d) When asked about rates funding for the community stadium, support from both genders dropped over 7pp (when compared to support for the idea of a community stadium) but this did not lead to a similar increase in opposition – males 2.7pp and females 3.6pp only higher
- (e) Within the Tauranga area, again it was the Mount / Omanu area (35.4%) that had the highest support for the community stadium while again Welcome Bay area had the highest opposition (74.4%) although it was the Tauriko area which showed the highest increase in opposition (5.2pp) when asked about rates funding for the community stadium

3. Analysis of comments

Although the three open comments consultation questions each had its own focus – these being economic benefits, social benefits, and general feedback – there were common themes across the answers to all three questions.

These themes were:

B 141	N d
Positive outcomes	Negative outcomes
More events coming to Tauranga	Congestion
Economic stimulus (visitors, spend)	Parking
Increased vibrancy in the city centre	Loss of green space / current facilities
	Cost to ratepayers
	More urgent priorities (roading, city centre, housing, completing current projects)

Many of the comments left, both positive and negative, also referred to the proposed location of the stadium, specifically that we already have several stadiums, and that the new stadium should be situated in one of these locations, such as at Bay Park, Blake Park, or Memorial Park, or these stadiums should be upgraded.

SUPPORT FOR STADIUM

1. All responses (based on 3,318 responses)

(a) Support by all responses

Overall, the opposition to the community stadium is stronger than the support with 63.2% opposing the idea. Support for the stadium is extremely polarised with the highest levels of support and opposition being at either end of the scale – the "strongly support" (28.1%) and "strongly oppose" (57.2%) groups representing over 85% of all responses.

	Support	Neither	Oppose
Total	35.0%	1.7%	63.2%

	Strongly support	Somewhat support	Neither support nor oppose	Somewhat oppose	Strongly oppose
Total	28.1%	6.9%	1.7%	6.0%	57.2%

(b) Support by age groups

When the support levels are reviewed by the age groups there is a distinct separation amongst the younger age groups (18 to 44 year olds who the majority support the idea) and older age groups (45 years old and over who the majority oppose the idea).

Support for the community stadium declines as the age groups get older, declining from 63.9% amongst the 18 to 23 age group down to 16.7% in the 65 and over age group. Conversely the opposition increases as the age groups get older, rising from 34.7% in the 18 to 24 age group up to 81.1% in the 65 and over age group. Amongst those respondents unwilling to provide their age, there was an almost unanimous opinion with 95% opposing the idea of a community stadium

These shifts are also seen as levels of "strongly support" as it continually declines as the age groups become older, dropping from 54.2% in the 18 to 24 age group to 12.7% in the 65 and over age group, while the opposite occurs for the "strongly oppose", increasing from 26.4% in the 18 to 24 age group up to 75.0% amongst the 64 and over age group.

	Support	Neither	Oppose
Total	35.0%	1.7%	63.2%
18 to 24 years	63.9%	1.4%	34.7%
25 to 34 years	55.5%	1.3%	43.2%
35 to 44 years	56.3%	1.7%	42.1%
45 to 54 years	41.9%	1.9%	56.1%
55 to 64 years	31.9%	1.7%	66.4%
65 years or over	16.7%	2.1%	81.1%
Prefer not to say	5.0%	0.0%	95.0%

	Strongly support	Somewhat support	Neither support nor oppose	Somewhat oppose	Strongly oppose
Total	28.1%	6.9%	1.7%	6.0%	57.2%
18 to 24 years	54.2%	9.7%	1.4%	8.3%	26.4%
25 to 34 years	44.5%	11.0%	1.3%	4.1%	39.1%
35 to 44 years	46.0%	10.3%	1.7%	6.1%	36.0%
45 to 54 years	33.5%	8.4%	1.9%	5.8%	50.2%
55 to 64 years	25.6%	6.3%	1.7%	8.1%	58.3%
65 years or over	12.7%	4.0%	2.1%	6.0%	75.0%
Prefer not to say	5.0%	0.0%	0.0%	0.7%	94.3%

(c) Support by gender

Males are two-thirds more likely to support the idea of community stadium than females, but still the majority of males oppose the idea of a community stadium (55.1% opposition vs 43.2% support). Females have significantly lower levels of support for the stadium with 26.2% in support compared to the 71.7% who oppose. Similar to the age groups, those not willing to provide their gender are almost unanimously oppose the idea of the stadium (95.4% opposition).

Almost half the males (49.9%) "strongly oppose" the idea of the community stadium with almost two-thirds of the females (64.4%) also "strongly oppose".

	Support	Neither	Oppose
Total	35.0%	1.7%	63.2%
Male	43.2%	1.7%	55.1%
Female	26.2%	1.8%	71.7%
Gender diverse	27.3%	0.0%	72.7%
Prefer not to say	4.6%	0.0%	95.4%

	Strongly support	Somewhat support	Neither support nor oppose	Somewhat oppose	Strongly oppose
Total	28.1%	6.9%	1.7%	6.0%	57.2%
Male	36.1%	7.0%	1.7%	5.2%	49.9%
Female	19.1%	7.1%	1.8%	7.3%	64.4%
Gender diverse	27.3%	0.0%	0.0%	0.0%	72.7%
Prefer not to say	2.3%	2.3%	0.0%	3.4%	92.0%

- 2. Responses from Tauranga Residents (based on 2,949 responses)
- (a) Support by all responses

The support levels for the stadium amongst Tauranga residents are slightly lower than the level reported from the "all responses" analysis, with support levels down 0.9pp (34.0%) and opposition up 0.9pp (64.2%), while those who "strongly support" for the idea is down 1pp (27.1%) while 58.1% "strongly oppose" the idea (up 0.9pp).

	Support	Neither	Oppose		
Total	34.0%	1.7%	64.2%		
	Strongly support	Somewhat support	Neither support nor oppose	Somewhat oppose	Strongly oppose
Total	27.1%	6.9%	1.7%	6.1%	58.1%

(b) Support by age groups

Tauranga residents show the same trend as the "all responses" analysis – stronger support in the age groups below 45 years old / stronger opposition above 45 years old – but there are small declines in levels of overall support, and "strongly support", while there are small increases in overall opposition, and "strongly oppose".

	Support	Neither	Oppose
Total	34.0%	1.7%	64.2%
18 to 24 years	62.5%	1.6%	35.9%
25 to 34 years	54.8%	1.1%	44.1%
35 to 44 years	55.9%	1.8%	42.2%
45 to 54 years	40.9%	2.0%	57.0%
55 to 64 years	30.2%	1.8%	68.1%
65 years or over	16.2%	2.0%	81.7%
Prefer not to say	4.6%	0.0%	95.4%

	Strongly support	Somewhat support	Neither support nor oppose	Somewhat oppose	Strongly oppose
Total	27.1%	6.9%	1.7%	6.1%	58.1%
18 to 24 years	53.1%	9.4%	1.6%	9.4%	26.6%
25 to 34 years	43.1%	11.7%	1.1%	4.3%	39.9%
35 to 44 years	45.7%	10.2%	1.8%	5.7%	36.5%
45 to 54 years	32.3%	8.6%	2.0%	5.7%	51.3%
55 to 64 years	24.0%	6.2%	1.8%	8.7%	59.3%
65 years or over	12.3%	3.9%	2.0%	6.2%	75.5%
Prefer not to say	4.6%	0.0%	0.0%	0.8%	94.6%

(c) Support by gender

Amongst males, opposition increases by 1pp (up to 56.1%) while opposition amongst females increases by 0.4pp (up to 72.2%) compared to the "all responses" analysis. The increase in the male opposition is driven by a 1.0pp increase in "strongly oppose" while "strong oppose" for females also drives the increase in female opposition, up by 0.4pp (up to 64.8%).

	Support	Neither	Oppose
Total	34.0%	1.7%	64.2%
Male	42.1%	1.7%	56.1%
Female	25.7%	1.9%	72.2%
Gender diverse	27.3%	0.0%	72.7%
Prefer not to say	3.7%	0.0%	96.3%

	Strongly support	Somewhat support	Neither support nor oppose	Somewhat oppose	Strongly oppose
Total	27.1%	6.9%	1.7%	6.1%	58.1%
Male	35.0%	7.1%	1.7%	5.3%	50.8%
Female	18.7%	7.1%	1.9%	7.4%	64.8%
Gender diverse	27.3%	0.0%	0.0%	0.0%	72.7%
Prefer not to say	1.2%	2.4%	0.0%	3.7%	92.7%

(d) Support by new council wards

There is stronger opposition to the idea of a community stadium across all of the wards but of the eight wards, two wards showed above average support for the stadium, these being Mount / Omanu and Matua-Otūmoetai with 41.5% and 39.6% support respectively. The two wards with the lowest support were Welcome Bay (69.5%) and Te Papa (68.2%). Tauriko has the highest "strongly oppose" levels (64.1%) with Welcome Bay second with 62.9%. The same two wards – Mount / Omanu and Matua-Otūmoetai – again appear as the top two wards based on "strongly support" – 33.7% and 31.8%.

	Support	Neither	Oppose
Total	34.0%	1.7%	64.1%
Mount / Omanu	41.5%	2.2%	56.3%
Arataki	34.6%	1.9%	63.5%
Papamoa	34.2%	2.9%	63.0%
Te Papa	28.9%	2.4%	68.2%
Welcome Bay	28.6%	1.9%	69.5%
Matua-Otūmoetai	39.6%	0.8%	59.6%
Bethlehem	31.4%	1.0%	67.3%
Tauriko	32.1%	0.3%	67.6%

	Strongly support	Somewhat support	Neither support nor oppose	Somewhat oppose	Strongly oppose
Total	27.1%	6.9%	1.7%	6.1%	58.1%
Mount / Omanu	33.7%	7.8%	2.2%	6.1%	50.1%
Arataki	28.8%	5.8%	1.9%	5.8%	57.7%
Papamoa	25.6%	8.6%	2.9%	6.1%	56.9%
Te Papa	24.9%	4.0%	2.4%	5.3%	62.9%
Welcome Bay	22.1%	6.5%	1.9%	9.2%	60.4%
Matua-Otūmoetai	31.8%	7.8%	0.8%	5.3%	54.3%
Bethlehem	24.7%	6.7%	1.0%	7.0%	60.3%
Tauriko	25.8%	6.3%	0.3%	3.5%	64.1%

SUPPORT FOR RATES FUNDING OF THE STADIUM

1. All responses (based on 3,318 responses)

(a) Support by all responses

Overall, there is a slightly stronger opposition to the idea of rates being used to fund the community stadium than support for the idea of the stadium, being with 65.5% opposing the idea on rates funding compared to 63.2% against the general idea of the stadium. Those who "strongly support" drop 14.7pp to 13.4% with "somewhat support" and "neither" both increasing (up 7.0pp and 5.1pp respectively) showing a softening of support. There is only a relatively small increase in opposition who "strongly oppose", only increasing 1.5pp to 58.7%.

	Support	Neither	Oppose
Total	27.2%	6.8%	65.5%
			1

	Strongly support	Somewhat support	Neither support nor oppose	Somewhat oppose	Strongly oppose
Total	13.4%	13.9%	6.8%	6.8%	58.7%

(b) Support by age groups

Support for rates funding shows the same trend as the support for the stadium, with levels of support declining as the age groups become older. The major difference when asked if the stadium should be rates funded it is only the 18 to 24 age group that show stronger support than opposition (50.0% vs 36.1%). Across all the age groups those who "strongly oppose" is equal or greater than those who "strongly support" the funding of the stadium via rates, as the under 45 years old age groups where the idea of a stadium was "strongly support" are more likely "somewhat support" and "neither" when as about funding the stadium via rates.

	Support	Neither	Oppose
Total	27.2%	6.8%	65.5%
18 to 24 years	50.0%	13.9%	36.1%
25 to 34 years	41.3%	9.1%	49.2%
35 to 44 years	43.0%	9.2%	47.1%
45 to 54 years	31.0%	7.1%	61.8%
55 to 64 years	25.1%	6.3%	68.4%
65 years or over	14.9%	5.0%	79.3%
Prefer not to say	3.5%	2.8%	93.6%

	Strongly support	Somewhat support	Neither support nor oppose	Somewhat oppose	Strongly oppose
Total	13.4%	13.9%	6.8%	6.8%	58.7%
18 to 24 years	29.2%	20.8%	13.9%	6.9%	29.2%
25 to 34 years	21.1%	20.2%	9.1%	7.9%	41.3%
35 to 44 years	20.8%	22.2%	9.2%	6.3%	40.8%
45 to 54 years	14.8%	16.1%	7.1%	7.3%	54.5%
55 to 64 years	13.8%	11.3%	6.3%	7.1%	61.3%
65 years or over	6.3%	8.5%	5.0%	6.6%	72.6%
Prefer not to say	0.7%	2.8%	2.8%	2.8%	90.8%

(c) Support by gender

As with support for the stadium, males more likely to support the rates funding of the community stadium than females but with support for both genders dropping in the region of 8pp (males down 8.2pp and females down 7.6pp) the male support has dropped to almost a third (34.9%). Opposition increases 2.2pp and 2.6pp respectively. The declines in support are again driven by a comparative decline in those who "strongly support" the idea of a community stadium moving to "somewhat support" or "neither" when asked about rates funding for the stadium.

	Support	Neither	Oppose
Total	27.2%	6.8%	65.5%
Male	34.9%	7.2%	57.3%
Female	18.6%	6.6%	74.3%
Gender diverse	27.3%	0.0%	72.7%
Prefer not to say	3.4%	3.4%	93.1%

	Strongly support	Somewhat support	Neither support nor oppose	Somewhat oppose	Strongly oppose
Total	13.4%	13.9%	6.8%	6.8%	58.7%
Male	19.4%	15.5%	7.2%	6.5%	50.8%
Female	6.2%	12.5%	6.6%	7.4%	67.0%
Gender diverse	9.1%	18.2%	0.0%	9.1%	63.6%
Prefer not to say	1.1%	2.3%	3.4%	1.1%	92.0%

- 2. Responses from Tauranga Residents (based on 2,949 responses)
- (a) Total support

Compared to the support for the idea of the community stadium, support for rates funding of the community stadium is down 7.4pp to 26.6%, with a 3.0pp lift in opposition. The largest shift is amongst those who "strongly support" the idea of the stadium idea. Where 27.1% "strongly support" the idea of the community stadium, only 12.8% "strongly support the idea of rates funding for the community stadium, a 14.3pp drop. These levels of support and shifts are in line with the "all respondents" analysis.

	Support	Neither	Oppose		
Total	26.6%	6.0%	67.1%		
	Strongly support	Somewhat support	Neither support nor oppose	Somewhat oppose	Strongly oppose
Total	12.8%	13.8%	6.0%	6.7%	60.4%

(b) Support by age groups

Tauranga residents show the same trend as the "all responses" analysis, with the levels of support declining as the age groups become older and again the 18 to 24 age group is the only group to show stronger support than opposition (50.0% vs 37.5%). Similarly, across all the age groups, those who "strongly oppose" is equal or greater than those who "strongly support", the funding the community stadium via rates. There are no major shifts between the "all respondents" and Tauranga residents, with the largest shift being amongst the 55 to 64 age group where "strongly support" declines 1.3pp, from 13.8% to 12.5%.

	Support	Neither	Oppose
Total	26.6%	6.0%	67.1%
18 to 24 years	50.0%	12.5%	37.5%
25 to 34 years	41.6%	7.8%	50.2%
35 to 44 years	43.5%	8.8%	47.1%
45 to 54 years	30.1%	5.7%	64.2%
55 to 64 years	23.4%	5.2%	71.2%
65 years or over	14.4%	4.4%	80.7%
Prefer not to say	3.1%	3.1%	93.8%

	Strongly support	Somewhat support	Neither support nor oppose	Somewhat oppose	Strongly oppose
Total	12.8%	13.8%	6.0%	6.7%	60.4%
18 to 24 years	29.7%	20.3%	12.5%	7.8%	29.7%
25 to 34 years	20.3%	21.4%	7.8%	8.5%	41.6%
35 to 44 years	20.8%	22.7%	8.8%	5.7%	41.4%
45 to 54 years	14.2%	15.9%	5.7%	7.3%	56.8%
55 to 64 years	12.5%	10.9%	5.2%	7.3%	63.9%
65 years or over	6.2%	8.2%	4.4%	6.5%	74.2%
Prefer not to say	0.0%	3.1%	3.1%	3.1%	90.8%

(c) Support by gender

Compared to the "all respondents" analysis, support levels only drop 1.0pp for males and 0.5pp for females but their support for the idea of a funding the stadium through rates compared to ideas of having a stadium drop 7.8pp and 7.3pp for males (down to 34.3%) and females (down to 18.4%) respectively. This means three-quarters of females oppose paying for the community stadium through rates. These declines are driven by shifts in "strongly support" which are down 16.1pp for males and 12.9pp for females. There are no major differences between the results for Tauranga residents and the "all respondents" analysis.

	Support	Neither	Oppose
Total	26.6%	6.0%	67.1%
Male	34.3%	6.4%	58.9%
Female	18.4%	5.6%	75.8%
Gender diverse	27.3%	0.0%	72.7%
Prefer not to say	2.4%	3.7%	93.9%

	Strongly support	Somewhat support	Neither support nor oppose	Somewhat oppose	Strongly oppose
Total	12.8%	13.8%	6.0%	6.7%	60.4%
Male	18.9%	15.4%	6.4%	6.3%	52.5%
Female	5.8%	12.6%	5.6%	7.6%	68.1%
Gender diverse	9.1%	18.2%	0.0%	9.1%	63.6%
Prefer not to say	0.0%	2.4%	3.7%	1.2%	92.7%

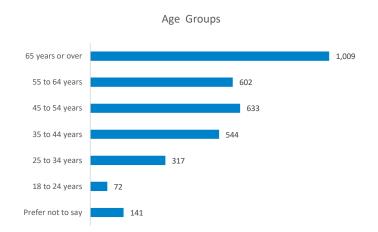
(d) Support by new council wards

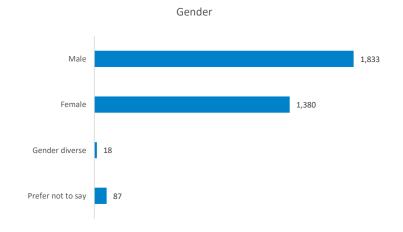
The same two wards show the highest support for funding the stadium through rates – Mount / Omanu and Matua-Otūmoetai – but support levels drop to 35.4% (down 6.1pp compared to support for the idea of the stadium) for the Mount /Omanu and 32.4 (down 7.1pp compared to support for the idea of the stadium) for Matua-Otūmoetai. Tauriko (72.8%) joins Welcome Bay (74.4%) and Te Papa (72.1%) with the highest opposition to the rates funding of the stadium, with Welcome Bay and Tauriko having increase of over 9pp (9.7pp and 9.1pp repsctively). When comparing the levels for those who "strongly support" the idea of a community stadium and "strongly support" the rates funding of the community stadium there is an average decline of 14.3pp, with highest decline amongst those in Mount / Omanu (down 15.6pp).

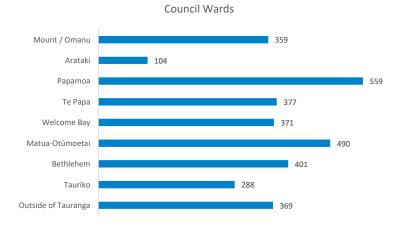
	Support	Neither	Oppose
Total	26.6%	6.0%	67.1%
Mount / Omanu	35.4%	5.8%	58.8%
Arataki	27.9%	4.8%	66.3%
Papamoa	26.7%	6.8%	66.5%
Te Papa	23.1%	4.8%	72.1%
Welcome Bay	18.9%	5.7%	74.4%
Matua-Otūmoetai	32.4%	6.9%	60.2%
Bethlehem	24.4%	7.0%	68.3%
Tauriko	23.0%	3.8%	72.8%

	Strongly support	Somewhat support	Neither support nor oppose	Somewhat oppose	Strongly oppose
Total	12.8%	13.8%	6.0%	6.8%	60.3%
Mount / Omanu	18.1%	17.3%	5.8%	6.1%	52.6%
Arataki	16.3%	11.5%	4.8%	4.8%	61.5%
Papamoa	12.7%	14.0%	6.8%	5.9%	60.6%
Te Papa	9.8%	13.3%	4.8%	6.4%	65.8%
Welcome Bay	8.4%	10.5%	5.7%	8.6%	65.8%
Matua-Otūmoetai	15.3%	17.1%	6.9%	6.7%	53.5%
Bethlehem	11.5%	13.0%	7.0%	7.0%	61.3%
Tauriko	12.2%	10.8%	3.8%	7.7%	65.2%

SAMPLE BREAKDOWN









11 August 2023









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Executive Summary

Market Economics with support from Visitor Solutions were commissioned to assess the anticipated social impacts on households and the community associated with the development of the Tauranga Multi-Use Boutique Stadium¹. This assessment expands the work completed for the Preliminary Business Case (April 2023) and focuses on the preferred option. The purpose is to form a broad view about the anticipated impacts from a social perspective, both positive and negative.

In terms of approach, the assessment follows a conventional social impact assessment (SIA) approach and draws the relevant information from the preliminary business case. Unlike economic impacts and effects, it is not possible to express all social impacts in quantitative and monetary terms. Consequently, the assessment is more qualitative in nature. The report provides basic information about the characteristics of the communities in Tauranga City and Western Bay of Plenty (WBoP) – the core catchment for the stadium. However, the wider region is also considered, but distance and the relative size of the other communities means that the potential impacts on other communities are expected to be comparatively diminished relative to those felt in by Tauranga and WBoP communities.

The preliminary Business Case describes the population growth outlook using change per cohort. The demographic and economic outlook are summarised to form a context for the growth. A key point is that Tauranga and the region are growing and facing pressures. The growing city needs appropriate social amenity to support the requirements of the growing population, and to provide access to higher-order social amenity. The city, and the sub-region (including Western Bay of Plenty) has seen significant, and fast, population growth over the recent past. The speed and scale of growth is putting pressure on the available resources, infrastructure as well as community amenities. Looking forward 30 years, most (>90%) of the Bay of Plenty's population growth is expected to occur in WBoP and Tauranga. It would be remiss to upgrade the city's core infrastructure (roads, water, wastewater, etc.) without also addressing growth pressures on social amenities. Under-investment in social amenities can lead to:

- Reduced quality of life for residents due to fewer opportunities to participate in recreational activities.
- Lower economic competitiveness due to a diminished ability to attract and retain employees to
 the sub-region because of low quality of life considerations. In turn this results in lower
 productivity and economic growth, and then lower wages and salaries,
- Increased inequality due to uneven distribution of facilities, and widening gaps in service provision across communities,
- Lower community development and cohesion due to diluted access to quality community space, and community programmes and events that bring people together. These reduce the sense of belonging.

Considering the design and target markets of the stadium, most of the social and economic benefits are expected to accrue to Tauranga, with a share flowing to the Western Bay of Plenty. This pattern is based on the type of activities that will be facilitated, the Tauranga and Western Bay of Plenty focus of the stadium, as well as the distances across the Bay of Plenty. This does not mean that benefits will not be felt in the Bay of Plenty, but the share of overall benefits felt in the rest of Bay of Plenty is expected to be small.

Page | i

¹ Referred to as the Stadium, or multi-use stadium.





Similarly, some of the social benefits associated with visitors coming to attend events are already captured in Tauranga and WBoP (in the economic assessment) via the additional visitor spending, and the flow on implications.

ENGAGEMENT

The social impacts draw on insights from earlier engagements as well as additional interviews with relevant parties to understand the potential benefits. The engagement results from the original process are in the business case. New engagement was undertaken with WaiBoP Football Federation, Bay of Plenty Rugby, Tauranga City Basketball, Volleyball Tauranga, and Tauranga Pickleball. The main points raised about the potential benefits include:

- The development of a stadium would require some existing codes to be relocated off the Domain, primarily athletics, bowls, and croquet². However, initial work suggests that there are viable relocation options so there is not no requirement for any code to cease operations. Some relocation might be necessary regardless of the stadium project.
- The earlier engagement found that most clubs were supportive of the stadium concept and new
 fields. Clubs indicated that the main benefits would be via new facilities and amenity, that would
 facilitate participation growth, and enable clubs to expand their product offerings, and develop
 new target markets.
- Bringing multiple codes together in one precinct was also seen as positive because it would enable a sharing of ideas and maximise asset use.
- The integration of multi sports hub approach with a stadium is seen as a positive way to improve community infrastructure while still allowing a more competitive event overlay (that is representative and professional level football events can still occur at certain times each year).
- The operating model and 'community focus' are supported i.e., using the stadium for community level sports activity most of the time with professional event level as an overlay. The community use was seen as being of critical importance as was the boutique seating capacity.
- The freeing up of court hours in the Mercury Arena for community sports was seen as having a benefit across different programme levels (such as youth, social, senior, genders, and representative).

The potential regional benefits associated with the stadium are anticipated to be associated with sports, education, and events. These are associated with using the stadium as central regional training and event hub, e.g., for coaching and administration, or training for the codes. From a sport events perspective, the stadium would be ideally placed to host professional sports events that would be attractive to a regional market such as the Black Ferns, Wellington Phoenix, and NPC games. Such sport events are likely to attract most of the attendants from the immediate local area, the WBoP as well as a portion from the rest of the region.

Page | ii

² This study has not engaged directly with any of these codes as Tauranga Council has taken responsibility for ongoing engagement with these organisations.





CORE EFFECTS

The stadium will deliver a range of effects, spanning multiple dimensions including economic, social, and environmental outcomes. The effects can be positive, negative, or neutral. Spatially, most of the social effects are expected in Tauranga and WBoP. This is due to proximity considerations as well as the scale of the sub-region's population relative to that in rest of the region. Regardless, there will also be impacts across the broader region (Bay of Plenty). The main effects are summarised below under the different themes:

Health and wellbeing

- An expanded range of high-profile sporting matches, festivals, concerts, and community events. These
 will create opportunities for social interaction, lifting community wellbeing. The additional activities
 will generate some benefits in areas beyond Tauranga and WBoP, in the rest of the region by offering
 new opportunities to those communities.
- Availability of social amenities contributes to a better quality of life. Reduced stress, improved physical
 and mental health, and a sense of community support, all combine to enhance well-being and life
 satisfaction.
- Shared experiences allow individuals to create memories and build relationships with friends (creating a sense of shared identity among community members).
- The stadium will deliver more and higher quality amenity (for sport codes) and facilities than currently available, and in turn this will support wider community use, and user-participation, with the potential to increase physical health benefits by minimising no-play time.
- Adding the stadium to the supply of sporting facilities will attract some players from existing facilities (e.g., clubs). This effect can be positive or negative, as it could lead to players moving between facilities (clubs). The shifts will deliver benefits to players in the form of additional choice, skills-spill over, and higher use levels. In contrast there could be effects on existing facilities' viability arising from losing players. However, this risk should be seen in the context of strong expected population growth.
- Negative effects during the construction period may affect public health, specifically residents, workers, and visitors within the immediate surrounding area. The current disruptions associated with Cameron Road improvements could be used as a way to identify lessons and ways to reduce risk and mitigate the effects of disruptions.

Urban form uplift

- Urban intensification is being enabled (Plan Change 33) and the stadium will support a compact urban form. Greater intensification requires social amenity close to where people live, and the stadium will contribute towards liveability in the context of intensification.
- The stadium together with other development initiatives in the CBD will provide opportunities for sport
 and entertainment activities, thereby generating synergies between the stadium and other land-uses
 in the CBD.
- The stadium would support other regeneration and development projects in Central Tauranga helping transform Tauranga's CBD and building a thriving city that meets the needs of the current and

Page | iii





future population. The proposed stadium will support and complement development efforts by assisting in generating scale and adding diversity.

• Establishing the multi-use stadium, with an ability to host a range of events (sporting, commercial and entertainment) will improve the (perceived) productivity of the existing site, enabling more people to use and access the public resource. This is the case based on the unique community-focus of the stadium. This increased access could however displace some existing uses and care will be needed to ensure that the existing users have a suitable alternative (if practical and affordable).

Way of Life

- Event experiences are optimised by the stadium, giving people greater access to more, and a wider variety of events (sporting, festivals, and concerts as well as exhibitions and conferences).
- The quality of the facility will contribute to people attending multiple events, enriching their lives, and exposing attendees to different cultures, music styles, and artistic expressions, thereby fostering cultural appreciation and understanding.
- There are risks associated with the facility. Large events can lead to increased traffic, noise, congestion, and crime in the surrounding areas, impacting residents' daily lives and well-being.
- Displacing existing activities will change residents' recreation and play some sports codes and clubs
 (e.g., bowls, croquet, and athletics) currently located at the Domain will be displaced, potentially
 negatively impacting club members as well as casual users of these facilities. The scale of negative
 impacts is subject to the mitigation options (including the alternative locations and options developed
 for those users).

Community

- The stadium capacity has the potential to increase diversity of patrons for events, drawing patronage
 across the sub-region and rest of Bay of Plenty improving social diversity and changing the social
 composition of the community that has exposure to events. This generates the following benefits:
 - A sense of pride can deliver a range of benefits, including feeling of being connected to a place.
 Appreciating unique attributes can lead to greater life satisfaction and wellbeing, higher levels of cultural preservation and promotion, and reinforce reputational benefits. These benefits can influence property values.
 - o Communities with a strong sense of place are often more resilient and adaptable to change.
 - o A sense of place can lead to greater environmental stewardship. Residents are more likely to support sustainability initiatives, conservation efforts, and green infrastructure projects.
- The cost implications of the project, and how the benefits are distributed across different community segments could undermine the sense of pride, being divisive over the short to medium term. Should they occur, detractors are likely to blame project champions for any budget blowouts or project delays (the impacts of the Christchurch Stadium delays are a case study in such effects).
- Temporary closure of community field facilities at Tauranga Domain during the construction phase will have short term impacts.

Page | iv





Environment and Amenity

- The proposed stadium design incorporates sustainability practices such as the use of low carbon material (engineered timber structures), rainwater storage and reuse, and onsite energy production (PV panels). These design strategies will reduce the impact of the development on the natural environment.
- Hosting events can have a negative environmental effect, that can in turn damage the reputation of
 the stadium, and the local Tauranga communities (where the stadium will be located). These can be
 mitigated through best practice events management approaches. Event management and operations
 can minimize negative social impacts while contributing to a more eco-friendly and socially responsible
 community through careful and proactive management.
- Perceived negative impacts on the environment and local community during the construction phase, specifically noise, vibration, and other air pollutants.

Culture

- Build and enhance cultural relationships and bring together cultures and communities across the subregion.
- Engagement with mana whenua representatives recommended the stadium design follow the agreed Tauranga Moana design guidelines.
- Promotion and celebration of cultural diversity through improved access to music and other live events (festivals, kapa haka, exhibition space).
- The stadium will create opportunities for Tauranga to host Māori sporting competitions (age group, amateur) as well as professional matches (Māori All Blacks) promoting and celebrating Māori culture.
- There is a risk that clubs members connection to place will be negatively impacted via displaced sporting codes and clubs due to removal/demolition of buildings and associated facilities. The heritage and history of sporting codes and clubs may be intertwined with the existing buildings and Domain space.

Fears and Aspirations

- Fears may arise from affected residents and community groups regarding overall project transparency.
 Additional fears may arise regarding project funding and the potential exposure via Council to rates increases.
- Displacement or loss of existing community facilities at Tauranga Domain.
- Concerns may arise regarding safety, traffic, and parking congestion during construction. This will
 impact both residents and businesses in the immediate vicinity.
- Overarching aspiration for the stadium development to deliver wider social and economic benefits to the sub-region Tauranga and WBoP.

Page | v





Employment effects and income

The stadium has the potential to provide an economic impulse as it is developed. This impulse will stimulate the local (Tauranga) and wider (rest of Bay of Plenty) economies, creating and sustaining employment. While the Value Added and employment impacts are outlined in the Business Case as part of the economic impact assessment, it is possible to disaggregate these aspects further into income and ethnicity (of the employment impacts). These are two additional aspects that are closely linked to the social effects, and are consequently included in this assessment. The employment impacts estimated for the preferred stadium option have been adjusted to reflect the employment impacts to Māori, income returned to households and occupations. These adjustments reflect existing sector-ethnicity, and GDP-income patterns.

The employment impacts on Māori are reported. The one-off construction activity shows that the direct and indirect employment (during construction) is estimated at 73 jobs (at the peak) while the total employment impacts are 91 jobs. In addition, the lifecycle phase of the stadium will see direct and indirect employment impacts of 40 jobs (at the peak) while the total employment impacts are 49 jobs. The ongoing activity (once fully operational) will see direct and indirect employment impacts of 56 jobs, while the total employment impacts are 71 jobs. Overall, the number of Māori jobs represents approximately 16% of the total employment impact of the ongoing effects.

In terms of occupations, the proposed community stadium, and associated facilities (and ongoing activities) will support a lift in economic activity, supporting new jobs with income returned to households. As expected, construction sees wide demand for technicians and trades workers, with managers and professionals also prominent. Once operational, the occupational demands are spread across the economy, with sales workers (80 jobs) as the largest occupation overall. Higher paying jobs also account for large portions of total jobs, including: managers (78 jobs) and professionals (63 jobs). Overall, these three occupations make up over half of the total employment impacts for Tauranga and rest of BoP.

Income returned to households is estimated across the construction, life cycle and ongoing phases. Overall, the stadium is projected to return total (including the flow on effects) income of \$209m to households (present value at 5% discount rate). This is 'today's value' of future salaries and wages returned to households. The ongoing operations are the largest share, highlighting the fact that the impacts are durable.

Concluding remarks

The wider social and community impacts of the proposed stadium are complex and multifaceted, and they are expected to be positive. This is in large part due to the stadium's unique operating model with community access and use, with a periodic commercial event overlay. The community stadium is anticipated to deliver a range of benefits, compared to the existing use. These benefits are diverse, covering a range of dimensions. Tangible benefits such as employment and income returned to households have been quantified. However, other less tangible benefits such as improved community interactions, sense of place and civic pride cannot be easily quantified. These effects are likely to be considerable.

One of the potentially negative social impacts is the displacement of some clubs and facilities (bowls, athletics, and croquet) from the Domain site. However, it will be possible to design and implement measures to mitigate these effects.

Page | vi





Version Control

Version	Comment
1 August 2022	First draft
11 August 2023	Final report
	Formatting and proof reading
	Commentary added around potential regional (beyond Tauranga and Western Bay of Plenty)
	effects

Page | vii





Contents

1	INTRODUCTION	1
1.1	PURPOSE AND SCOPE	1
1.2	METHODOLOGY	1
1.3	SOCIAL IMPACT ASSESSMENT FRAMEWORK	2
1.4	THE STADIUM CONCEPT	3
1.5	REPORT STRUCTURE	5
2	SOCIO-ECONOMIC CONTEXT	6
2.1	COMMUNITY DEFINITION AND BASE DEMOGRAPHICS	6
2.2	DEMOGRAPHIC OUTLOOK	10
2.3	ECONOMIC OUTLOOK	12
2.4	KEY POINTS	13
3	KEY STAKEHOLDERS AND ENGAGEMENT	14
3.1	IMPACT OF THE RELOCATION OF COMMUNITY SPORT CODES	14
3.2	EARLIER ENGAGEMENT WITH SPORTS CLUBS	14
3.2 3.3	EARLIER ENGAGEMENT WITH SPORTS CLUBS	
		15
3.3	REGIONAL SPORTS PERSPECTIVES	15 19
3.3 4	REGIONAL SPORTS PERSPECTIVES	15 19 20
3.3 4 4.1	REGIONAL SPORTS PERSPECTIVES ASSESSMENT OF EFFECTS HEALTH AND WELLBEING	15 19 20 22
3.3 4 4.1 4.2	REGIONAL SPORTS PERSPECTIVES ASSESSMENT OF EFFECTS HEALTH AND WELLBEING URBAN FORM UPLIFT	15 19 20 22 23
3.3 4 4.1 4.2 4.3	REGIONAL SPORTS PERSPECTIVES ASSESSMENT OF EFFECTS HEALTH AND WELLBEING URBAN FORM UPLIFT WAY OF LIFE	15 19 20 22 23
3.3 4 4.1 4.2 4.3 4.4	REGIONAL SPORTS PERSPECTIVES ASSESSMENT OF EFFECTS HEALTH AND WELLBEING URBAN FORM UPLIFT WAY OF LIFE COMMUNITY.	15 19 20 22 23 25
3.3 4 4.1 4.2 4.3 4.4 4.5	REGIONAL SPORTS PERSPECTIVES ASSESSMENT OF EFFECTS HEALTH AND WELLBEING URBAN FORM UPLIFT WAY OF LIFE COMMUNITY. ENVIRONMENT AND AMENITY	15 19 20 23 25 27
3.3 4 4.1 4.2 4.3 4.4 4.5 4.6	REGIONAL SPORTS PERSPECTIVES ASSESSMENT OF EFFECTS. HEALTH AND WELLBEING. URBAN FORM UPLIFT. WAY OF LIFE COMMUNITY ENVIRONMENT AND AMENITY. CULTURE	15 19 20 22 23 25 27 29
3.3 4 4.1 4.2 4.3 4.4 4.5 4.6 4.7	REGIONAL SPORTS PERSPECTIVES ASSESSMENT OF EFFECTS HEALTH AND WELLBEING URBAN FORM UPLIFT WAY OF LIFE COMMUNITY ENVIRONMENT AND AMENITY CULTURE FEARS AND ASPIRATIONS	15 19 20 23 25 27 29 30 31

Page | viii





Figures

Figure 1-1: SIA - Framework	3
Figure 1-2: Tauranga Domain	4
Figure 2-1: Population growth (totals)	10
Tables	
Table 2-1: Community Definition of General Areas (location)	7
Table 2-2: Key Characteristics of Tauranga Communities	8
TABLE 2-3: KEY CHARACTERISTICS OF WESTERN BAY OF PLENTY COMMUNITIES	9
TABLE 2-4: POPULATION PROJECTIONS – TAURANGA CITY AND WESTERN BAY OF PLENTY, 2018-2063	11
Table 3-1: Bay Venues Limited Estimated Court Hours Returned to Community Sports Use	17
Table 4-1: Māori MECs employed at peak year of one-off construction activity	32
Table 4-2: Māori MECs employed at peak year of lifecycle activity	32
TABLE 4-3: MĀORI MECS EMPLOYED AT PEAK YEAR OF ONGOING OPERATIONS ACTIVITY	32
Table 4-4: Occupational breakdown – Construction activity at peak year	33
TABLE 4-5: OCCUPATIONAL BREAKDOWN — LIFECYCLE ACTIVITY AT PEAK YEAR	34
Table 4-6: Occupational breakdown – Ongoing operations activity at peak year	34
Table 4-7: Income returned to households as percent of VA (NPV @ 5%, \$'m)	35
Appendices	
APPENDIX 1: COMMUNITY DEMOGRAPHICS	39
APPENDIX 2: EMPLOYMENT DATA (2022)	46

Page | ix





1 Introduction

Market Economics and Visitor Solutions were commissioned to assess the likely social impacts on households and community associated with the development of the Tauranga Multi-Use Boutique Stadium. This work builds on, and expands, the assessment completed for the Preliminary Business Case (April 2023). This assessment outlines the range of potential social impacts that may eventuate from the preferred development option.

1.1 Purpose and Scope

The purpose of this assessment is to form a broader view about the anticipated impacts that the Tauranga Multi-Use Boutique Stadium (referred to as the stadium or multi-use stadium in the report) would deliver using a social perspective. The assessment considers the potential range of social impacts, both positive and negative impacts. The assessment includes:

- Current socio-economic context to form the baseline for the analysis: This part provides a snapshot of the current socio-economic and economic landscape. This information is used to contextualise the anticipated change and covers the wider study area.
- Stakeholder engagements: Detailed sector and stakeholder engagements were completed as part
 of the Preliminary Business Case process. Additional engagements were completed with regional
 sports organisations.
- Assessment of social effects: The third part of the scope include setting up an assessment
 framework relating to social aspects of the project. Essentially, this is the identification and
 assessment of the likely social effects of the project against the adopted Social Impact Assessment
 framework. The magnitude of the effect is assessed as well as any mitigation and management
 measures proposed.

The preliminary business case, developed by Priority One and partners, suggests that the construction and use of the proposed stadium would bring many social and economic benefits. This assessment is designed to complement and expand on the business case work, focusing on the social and community effects that may arise as a result of the multi-use stadium in Tauranga.

1.2 Methodology

This assessment follows the general structure associated with a conventional social impact assessment (SIA) framework and it draws on relevant information and analysis completed during the preliminary business case. The SIA involves a number of steps, including:

- Establishing the SIA framework,
- Identifying the issues,
- · Assessing potential social and economic impacts, and
- Determining the significance of impacts.

The methodology used in preparing this SIA is designed to ensure that the social and economic environment of communities potentially impacted by the project are properly accounted for and recorded, and anticipated impacts are adequately considered and assessed. Importantly, unlike economic impacts

Page | 1





and effects, it is not possible to express social impacts in quantitative and monetary terms. Consequently, the assessment is more qualitative in nature. However, where possible some of the effects are expressed in quantitative terms.

1.3 Social Impact Assessment Framework

Generally, a SIA analyses the intended and unintended consequences of policies, plans, programmes and projects on people and communities³. Social impacts refer to changes to individuals and communities which are generated by a proposed action or set of actions that will alter the day-to-day way in which people live, work, play, relate to each other, organise to meet their needs, and generally participate as members of society⁴. According to the International Association for Impact Assessment (IAIA), social impacts can involve changes to people's:

- Way of life, including:
 - How people live, for example, how they move around places and provision of adequate housing.
 - How people work, for example, access to adequate employment, working conditions or practices.
 - o How people play, for example, access to recreation activities.
 - o How people interact with each other daily.
- Culture, including shared beliefs, customs, values and stories, and connections to land, places, and buildings.
- Community, including its composition, cohesion, character, how it functions and sense of place.
- Political systems, particularly the extent to which people can have a voice in decisions that affect their lives, and have access to mechanisms for complaints, remedy, and grievances.
- Environment, including access to, and use of, ecosystem services and the natural and built environment, and its aesthetic value and/or amenity, public safety, and security.
- Health and wellbeing, including physical and mental health.
- Personal and property rights, including whether economic livelihoods are affected, and whether personal disadvantages or civil liberties will be affected.
- Fears and aspirations, related to one or a combination of the above, or about the future of their community.

Using the broad IAIA categories, a bespoke SIA-framework was constructed for this project (see Figure 1-1). The framework can be viewed as complementary to the results reported in the preliminary business case which reported the economic impacts and costs and benefits of the preferred option.

Page | 2

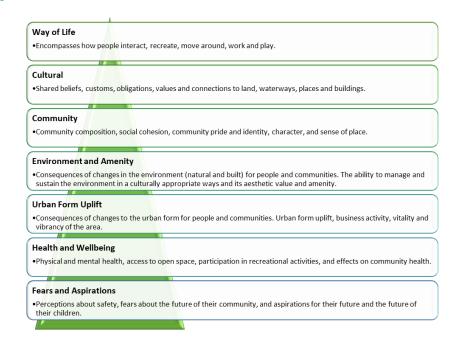
³ Vanclay, F., Esteves, A. M. and Franks, D. M. (2015). Social Impact Assessment: Guidance for Assessing and Managing the Social Impacts of Projects. USA: International Association for Impact Assessment.

⁴ Burdge, R.J. 2004. Social Impact Assessment: Definition and Historical Trends, in Burdge, R.J (2004) The Concepts, Process and Methods of Social Impact Assessment.





Figure 1-1: SIA - Framework



In addition to the above framework, the assessment also considers Māori employment, income returned to households and the occupations associated with the supported employment. These aspects are based on the economic impact as assessed for the Business Case work, with additional refinements to isolate the values associated with these effects.

1.4 The Stadium Concept

The proposed community multi-use stadium is described in the Preliminary Business Case and a detailed overview of the concept is not repeated here. However, it is important to acknowledge that the stadium has a unique operating model and design. Unlike any other New Zealand Stadia, the proposed precinct has constant community access and use. Professional sports and commercial use are treated as a periodic event overlay. The SIA is based on the preferred option and full details can be found in that report⁵. The proposal is to construct, operate and maintain a multi-use community boutique stadium in central Tauranga, at the Tauranga Domain (Figure 1-2). Currently the Domain facilitates a range of active and passive sports and leisure activities. Key existing facilities⁶ located on the site include:

- Tauranga Lawn Tennis Club,
- Tauranga Bowling Club,

Page | 3

⁵ Tauranga Multi-Use Boutique Stadium Preliminary Business Case, 18th April 2023, prepared for Priority One and Partners.

⁶ This includes the Peace Mile.





- Tauranga Sports Club,
- Otūmoetai Cricket Club and croquet facilities.

Site availability for the stadium is dependent on three existing users (athletics, croquet, and bowls) being relocated to alternative sites in Tauranga. The existing sports fields north and south of the athletics track and other clubs (tennis and cricket) will remain.

Figure 1-2: Tauranga Domain



The preferred stadium option, as identified in the business case, provides for a range of events and uses including professional sport, cultural events, festivals, commercial concerts and community events. In total there are five key elements proposed for the preferred multi-use stadium option. The elements are:

- The boutique community stadium with 7,000 permanent seats and provision for 8,000 temporary seats (circa 5,000 being prefabricated seating modules),
- The light exhibition centre (circa 2,000m² exhibition space plus support facilities),
- The function centre (circa 1,300m²),
- The community multi-sport facility (circa 400m² of changing room and lounge space),
- The Waikato University Sports Science / Physiotherapy (circa 250m² dedicated space and shared spaces).

The Preliminary Business Case has identified the need for a multi-use stadium on the back of population growth in Tauranga City and Western Bay of Plenty. The proposed multi-use stadium has been designed to meet the increasing demand for community, sports, and event infrastructure across the sub-region.

Planning for the stadium is well underway. We understand engagement with key stakeholders and community groups has been ongoing over the course of the proposed stadium's conceptual development

Page | 4





testing. The indicative project schedule indicates early works could take place between 2024-2025 with the main contracting works getting underway from 2025-2027.

Alongside the prosed stadium development, there are a few key parallel work streams underway for other development projects in Tauranga including the Tauranga Civic Precinct and associated waterfront redevelopment.

1.5 Report structure

The report is structured as follows:

- Section 2 provides a short context of the community and the basic demographic information.
- Section 3 summarises the process and key findings of the sector engagement.
- Section 4 outlines the key social effects associated with the project.
- Section 5 offers concluding remarks.

Page | 5





2 Socio-Economic Context

A baseline socio-economic profile of the communities that may be impacted by the proposed stadium is important because it sets the context of the impacts. For the SIA, the wider region is considered i.e., both Tauranga City and Western Bay of Plenty (WBoP). The wide context is used because the stadium will service communities beyond the immediate vicinity. However, due to the range of anticipated activities, the serviced communities will vary depending on which activity is considered. This section provides basic information about the characteristics of the communities in Tauranga City and WBoP. In addition to community demographics, the current economic activity and anticipated growth future is reported at the district level for Tauranga City and WBoP.

The section starts by defining the community, before discussing the demographics and economic outlook.

2.1 Community definition and base demographics

The study area, and community definition, reflects communities most likely to be affected by the project. As mentioned, the stadium will deliver a range of activities – some will have a more local focus, and some will have a regional focus. Therefore, a regionally inclusive community definition is applied. The assessment focuses on the residents that live in Tauranga City where the project is focussed as well as residents, workers, and visitors from outside the City in WBoP. The community definition draws on work completed for SmartGrowth relating to the spatial patterns of the community. This work formed part of the Housing Capacity Assessment and is consistent with that used across the Council. Importantly, there are several workstream underway looking at housing, housing growth and the spatial patterns of enabled growth (e.g., Plan Change 33). Therefore, the finer details presented here are likely to change and vary slightly from newer research. Nevertheless, the headline growth estimates, and outlook are in-line with other local research.

In 2022, there were 158,080 people living in 55,290 households in Tauranga City, and a further 59,720 people living in 22,640 households in the Western Bay of Plenty. Community definitions for the study area are based on 'General Areas' (GA) reflecting location-specific patterns (Table 2-1). The GAs are used across different Tauranga City Council processes.

The existing demographic characteristics of the communities within the study area are analysed to gain a better understanding of the potential impacts as a result of the proposed development on these communities. Only summary points are presented in the report with supporting data presented in the appendices.

The main observations about the different locations (GAs) are summarised below, with additional information reported in Appendix 1. Table 2-2 summarises key data for the Tauranga communities and Table 2-3 reports the situation for WBoP communities.

Page | 6





Legend Tauranga City Otumoetai Bethlehem GAI Tauranga Central
GAI Gate Pa
GAI Greerton Pyes Pa

Welcome Bay

Otumoetai Mount Maunganui Papamoa Mairakei Katikati Omokoroa

Te Puke GAZ GA5 GA11 Tauranga Growth Areas (In W80P - based on current boundaries) Western Bay of Plenty

Table 2-1: Community Definition of General Areas (location)

Page | 7





Table 2-2: Key Characteristics of Tauranga Communities

Community (GA)	2022 Population (households)	Key Characteristics
Tauranga Central	2,850 (1,159)	 High shares of households with incomes cohorts below \$50,000 (44%). Highest concentration of one-person households (70%). Lower shares of home ownership (57%). High proportion of people aged 65 years and over (32%). Higher shares of Asian populations (15%).
Gate Pa	15,020 5,222	 High shares of households with incomes cohorts below \$50,000 (42%). Low proportion of home ownership (51%). Higher shares of Pacific Peoples (7%). High concentration of Māori populations (27%). High proportion of households living in crowded houses.
Otūmoetai	30,050 10,538	 Overrepresented in medium-high incomes households (\$70,000-\$150,000). High proportion of households living in crowded houses.
Bethlehem	9,250 3,356	High shares of home ownership (79%).High proportion of people aged 65 years and over (32%).
Greerton	5,470 2,079	 High shares of households with incomes cohorts below \$50,000 (50%). Highest proportion of household incomes under \$30,000 (31%). Lower shares of home ownership (57%).
Pyes Pa	14,550 4,755	 High shares of households with incomes of +\$100,000 (43%). High shares of 'family with children' households (43%). Higher shares of Asian populations (14%).
Welcome Bay	22,060 7,326	 Reduced share of people aged 65 years and over (17%). High proportion of 'family with children' households. High proportion of households living in crowded houses.
Baypark- Kairua	1,700 476	 High shares of 'family with children' households (46%). High shares of people aged under 15 years (24%). High concentration of Māori populations (69%).
Mount Maunganui	14,050 5,423	 High shares of households with incomes of +\$100,000 (43%). Predominant European population.
Papamoa	36,270 12,766	 Overrepresented in medium-high incomes households (\$70,000-\$150,000). High proportion of households living in crowded houses.
Wairakei	6,810 2,182	 Overrepresented in medium-high incomes households (\$70,000-\$150,000). High proportion of 'family with children' households (43%). High shares of people aged under 15 years (26%).





Table 2-3: Key Characteristics of Western Bay of Plenty Communities

Community	2022 Population (Households)	Key Characteristics	
Katikati	5,530 (2,291)	 High shares of households with incomes cohorts below \$50,000 (58%). High concentration of one-person households (64%). High proportion of people aged 65 years and over (39%). Higher shares of Pacific Peoples (6%). 	
Omokoroa	5,510 1,086	 High shares of households with incomes cohorts below \$50,000 (40%). High concentration of one-person households (69%). Highest home ownership rate (80%). High proportion of people aged 65 years and over (36%). High concentration of European populations (95%). 	
Te Puke	10,240 3,158	 Overrepresented for larger households, particularly multi- and nonfamily households. Higher shares of Asian populations (19%). High concentration of Māori populations (26%). High proportion of households living in crowded houses. 	
Tauranga Growth Areas	8,250 4,167	 High proportion of households with an income of +\$100,000 (48%). High shares of 'family with children' households (45%). High shares of people aged 30-64 years (51%). 	
WBOP Rural	30,190 12,933	High shares of people aged 30-64 years (48%).High proportion of Māori households living in crowded houses.	

Tauranga and the WBoP are part of the overall Bay of Plenty. The sub-region hosts almost two thirds (62%) of the Bay of Plenty's total population, underscoring the importance of the sub-region the main population locations. Rotorua is the next largest population concentration, with around 22% of regional population. The balance (16%) of the population is in Whakatane District, Kawerau District and Opotiki District. The relative age distribution of these districts differs marginally from WBoP and Tauranga, and are more concentrated in the sub-14 year cohorts, and the comparatively underrepresented in +70-year cohorts. As the main economic centres of the region, income levels are also higher in Tauranga and WBoP compared to the rest of the region. In addition, region's unemployment rates are markedly lower in Tauranga and WBoP than in the other districts around the region. The current unemployment rates (2022)⁷ are:

•	Western Bay of Plenty District	2.8%,
•	Tauranga City	3.2%,
•	Rotorua District	5.6%,
•	Whakatane District	5.2%,
•	Kawerau District	11.2%, and
•	Opotiki District	6.6%.

Page | 9

⁷ Sourced from Infometrics.





2.2 Demographic outlook

The preliminary Business Case describes the growth outlook using change per cohort. The discussion is not replicated. Instead the outlook across is summarised. Tauranga City is the main economic and population centre in the Bay of Plenty. The city is part of the wider sub-region with linkages to WBoP, and it also supports activities in the wider region (e.g., Rotorua). The city, and the sub-region (including WBoP) has seen significant, and very fast, population growth over the recent past. The speed and scale of growth is putting pressure on the available resources, infrastructure as well as community amenities.

Several large-scale projects are underway across the city to address backlogs, and to position the city to accommodate growth by unlocking development options. There are several agencies collaborating to manage the growth, through SmartGrowth⁸ initiative. The large projects are in response to the local growth pressures and reflect the aspirations to capture the growth in a way that maintains wellbeing and improves the liveability of the local communities.

The growth outlook for Tauranga is positive and the population is projected to continue with the upward trend. Figure 2-1 shows the expected shift in population from 2021 levels (i.e., how many additional people would live in in the area compared to current levels). The figure shows the change across the Bay of Plenty Territorial Authorities

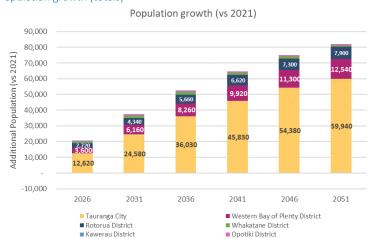


Figure 2-1: Population growth (totals)9

Tauranga's population growth is expected to continue to see strong growth over the short, medium and long term. The growth will manifest over the medium term with 41% of the 30-year growth (to 2051)

Page | 10

⁸ SmartGrowth is a collaboration and shared vision between the strategy partners: Tauranga City Council, Western Bay of Plenty District Council, Bay of Plenty Regional Council, tangata whenua, partner community/business organisations and key Governmental agencies - like the New Zealand Transport Agency.

⁹ For Rotorua and Western Bay of Plenty, the StatsNZ: Subnational population projections, by age and sex, 2018(base) – Medium Growth Projection is used.





expected over the next 10 years (to 2031). Over the next decade, Tauranga's growth is expected to increase by 24,580 residents. The City's growth needs to be catered for from a residential perspective, as well as infrastructure and social amenities.

The Western Bay of Plenty District (WBoP) surrounds Tauranga City. WBoP's population growth will also grow over the short and medium term, while the rate of change (growth rate) will slow over the long term. Despite the slowdown, the population will still grow. The growth is expected to occur over the medium term with 66% of the 30-year growth (to 2051) expected over the next 10 years (to 2031). Over the next decade, the district's growth is expected to increase by 6,160 residents.

The Rotorua District, bordering WBoP to the South, is the largest population centre after Tauranga. Current population estimates (2021) suggest that Rotorua is home to 76,100 people. The district has an estimated 25,460 occupied dwellings, and 28,880 total dwellings at the 2018 census. Rotorua's population growth is expected to continue to see strong growth over the short and medium, while slowing in the long term. The growth is also expected to manifest over the medium term with 55% of the 30-year growth (to 2051) expected over the next 10 years (to 2031), increasing by 4,340 residents¹⁰.

The population outlook for WBoP and Tauranga are discussed in the preliminary business case. The population is projected to growth and Table 2-4 summarises the projections for Tauranga City Council and the Western Bay of Plenty District Council.

Table 2-4: Population projections – Tauranga City and Western Bay of Plenty, 2018-2063

	2018	2033	2048	2063	Change 2	2018-2063
	2010	2000	2040	2000	n	%
Tauranga City	142,100	183,890	207,990	225,430	83,330	58.6%
Western BOP	53,300	66,890	73,990	78,020	24,720	46.4%

As described in the business case, in 2018 Tauranga City had an estimated population of 142,100. This is projected to increase to 183,890 by 2033, 207,990 by 2048 and 225,430 by 2063 (Table 2-4). That is a total increase of 59% or 83,330 additional people living in Tauranga City between 2018-2063. Between 2018-2033 population is projected to grow at a faster rate of 1.7% p.a. on average, declining to 0.8% p.a. between 2033-2048 and again to 0.5% p.a. between 2048-2063.

Different StatsNZ population projections (historic and recently released) show a general trend across Tauranga and WBOP of an ageing population, with the young population capturing a smaller percentage of total population. This trend is reflected in many other cities around NZ. Overall, the population outlook is positive, with significant growth expected. The growth translates into additional demand for social amenity. In addition, as the city (and region) grows, the offer and diversity of social amenity needs to expand to cater for a wider array of community needs. If these are not met, then social costs will emerge.

As mentioned earlier, Tauranga and WBoP are part of the Bay of Plenty. The thirty-year population outlook for the other districts in the region is mostly positive, but the rate of change is noticeably lower than that calculated for WBoP and Tauranga. This means that over time, the share of regional population that lives

Page | 11

¹⁰ We note that some population projections by Infometrics are lower than the StatsNZ estimates presented here.





within Tauranga and WBoP will increase. These trends underline the regional importance of Tauranga and WBoP.

2.3 Economic outlook

While this assessment focuses on the social impacts, the economic landscape is important because it reflects the relative attractiveness of Tauranga/WBoP as an investment destination as well as the economy's ability to attract and retain labour.

In terms of the GDP, unofficial data suggests that Tauranga's economy generated \$9.5bn GDP in 2022. For WBoP GDP is estimated at \$2.9bn in 2022. Tauranga City economy employs a total of 82,240 workers (2022), in terms of Modified Employee Counts¹¹ (MECs). Appendix 2 provide a sectoral breakdown of employment. Employment is concentrated within Health Care and Social Assistance (10,710 MECs), Retail Trade (9,470) and Construction (9,930 MECs). In total these three sectors account for 37% of total employment. Manufacturing and wholesaling are also key parts of the economy because they are related. Manufacturing activities are normally integrated in the local economy. Manufacturing employment accounted for 9% (7,240 MECs) of total employment in 2022, while Wholesale Trade accounted for 5% (3,870 MECs).

The WBoP employs 23,560 MECs of which 29% is employed in agriculture. Using a more refined sector classification suggests that 10% of employees are employed in horticulture and fruit growing. Agriculture support services are another large component of agriculture, supporting 3,070 jobs. After agriculture, the sectors with the highest employment are Administration and Support Services (3,240 MECs), Construction (2,410 MECs) and Manufacturing (1,830 MECs). Including Agriculture, these sectors account for more than half (61%) of WBoP's total employment for 2022.

In Tauranga, construction employs around 12% of workers, and in WBoP this share is 10%. Construction will experience a direct impulse from the development activity.

Looking forward, the economic outlook for Tauranga and WBoP suggests solid growth. While there are signs of some economic slowdown occurring due to the tightening conditions and high inflation, the medium to long term outlook remains positive. Growth rates are marginally below those observed in the past few years, reflecting the well-known issues around infrastructure limitations and constraints. Nevertheless, the compound growth rates reflect the Tauranga economy growing to \$12.3bn (Value Added) by 2051. Work completed for SmartGrowth around the business capacity suggests that infrastructure constraints are limiting the overall growth, and the growth could be higher if the constraints were resolved.

With reference to the WBoP, the growth outlook suggest that the economy will continue to expand, reaching Value Added of \$3.4bn by 2051. Employment will grow as the economy expands. Like Tauranga, labour constraints are expected to remain a drag on economic growth.

Page | 12

 $^{^{11}}$ The MEC is a measure of employment and includes a headcount of employees as well as working proprietors.





(Note: the economic outlooks as reported here for WBoP and Tauranga are based on work completed by M.E for other projects in the sub-region. No comparable information for the other districts in the region could be found).

2.4 Key points

The demographic and economic outlooks for Tauranga and the WBoP are positive. Engagement undertaken for the Housing and Business Capacity Assessment highlighted the fact that the city and region are dealing with 'growth pains'. These are manifesting as pressure on infrastructure, and congestion and pressures on amenities. While social amenities and infrastructure pressures are not as visible as transport infrastructure pressures, they go hand in hand with population growth and contribute towards a liveable city. These 'softer' considerations support the local community and assists businesses to attract and retain staff. It would be remiss to upgrade the city's core infrastructure (roads, water, wastewater, etc) without also addressing growth pressures on social amenities. Under-investment in social amenities can lead to:

- Reduced quality of life for residents due to fewer opportunities to participate in recreational activities,
- Economic impacts due to the flow on effects hindering economic competitiveness, resulting in lower productivity and economic growth (arising from matters like challenges in recruitment and retention of labour),
- Increase inequality due to uneven distribution of facilities, and widening gaps in service provision across communities,
- Lower community development and cohesion due to diluted access to quality community space, and community programmes and events that bring people together. These contribute towards a reduced sense of belonging.

Page | 13





3 Key Stakeholders and Engagement

This section summarises past and current key stakeholder engagement. Issues associated with relocating sport clubs (should the stadium be developed) are being led by Tauranga City Council. A summary of these ongoing discussions is outlined. The Tauranga Boutique Stadium Feasibility Study and the Preliminary Business Case canvased the views of clubs associated with Tauranga Domain. Feedback from these studies has been summarised in this section. New engagement was undertaken with WaiBoP Football Federation, Bay of Plenty Rugby, Tauranga City Basketball, Volleyball Tauranga, and Tauranga Pickleball and is summarised below.

3.1 Impact of the Relocation of Community Sport Codes

The development of a stadium would require some existing codes to be relocated off the Domain, primarily athletics, bowls, and croquet. This study has not engaged directly with any of these codes as Tauranga Council has taken responsibility for ongoing engagement with these organisations.

Based on initial work undertaken by Tauranga City Council viable relocation options exist so there is no requirement for any code to cease operations (because of the development of the stadium).

Work undertaken by Tauranga City Council has also indicated that relocating some or all these codes off Tauranga Domain may be undertaken regardless of a new stadium being developed. These potential relocations would enable greater use of the Domain for events and more effective use of the space by community sports groups.

Athletics New Zealand have indicated centralising both track and field operations would be beneficial (field disciplines are limited currently on the Tauranga Domain). Baypark has been identified as a potential athletics hub site for Tauranga.

It is understood that dialogue with Tauranga Lawn Bowls is advanced in respect of opportunities for relocation. Tauranga Croquet Club could be retained on the site, at least until the end of the current lease period to 2029, unless a suitable alternative site for the relocation of the club can be agreed with the club prior to that date. Alternative sites are under investigation.

Given these factors the potential negative effects of relocation on these codes are considered to be outweighed by the wider community sports benefits.

3.2 Earlier Engagement with Sports Clubs

Engagement was undertaken as part of the Tauranga Boutique Stadium Feasibility Study and Preliminary Business Case. The business case engagement identified that:

 Otūmoetai Cadets Cricket Club - Supportive of the stadium concept and new fields. Club requires further clarification on how the community multi-sport spaces they would use may be operated.
 Desires facility to be as close as possible to fields.

Page | 14





- Tauranga Lawn Tennis Club Opposed to the concept of any stadium on Tauranga Domain as it is perceived to impact negatively on tennis club operations. Club representatives believe the Domain should generally be left as it is with no changes.
- Tauranga Sports Rugby Netball Supportive of the stadium concept and new fields. Club requires further clarification on how the community multi-sport spaces they would use may be operated.
- Otūmoetai Football Club Supportive of the stadium concept and new fields. Would like to retain use of Wharepai field. Concept seen as positive for club and community football.

Clubs perceived the following main benefits would be accrued from the development of a boutique community stadium:

- New community sports facilities in the form of a multi sports clubrooms, changing rooms, field lighting and fields (which is gained by leveraging off professional sports use of the stadium).
- Fields that would be capable of accommodating increased community sports use hours (and carpeted and hybrid fields).
- Better community sports utilisation / higher participation levels within Tauranga Domain.
- Higher membership and participation levels within clubs using the precinct.
- Greater connections with sport sciences (via Waikato University facilities).
- An ability to leverage sports events to foster greater community participation.

The main perceived negative impacts included:

- Permanent closure of athletics, bowls, and croquet facilities if no alternative locations are available to relocate to.
- Loss of sports club identity.

Based on the work currently being undertaken by Tauranga City Council it appears that all clubs and facilities can be relocated (see section 3.1). The proposed community stadium retains all Tauranga Lawn Tennis Clubs tennis courts and increases parking that could be used by club members.

3.3 Regional Sports Perspectives

Engagement was undertaken with WaiBoP Football Federation, Bay of Plenty Rugby, Tauranga City Basketball, Volleyball Tauranga, and Tauranga Pickleball. Discussions indicated both perceived direct and indirect impacts from the proposed stadium. These are outlined below.

Direct Use Benefits

WaiBoP Football Federation and the Bay of Plenty Rugby Union both see direct benefit from the proposed community stadium. For the WaiBoP Football Federation, use of the stadium from a community and competitive football perspective would be wide. They perceive the main benefit being the precinct creates a one stop shop or "cluster of spaces" that can be used all at the same time. Depending on activity type and bookings, football at all levels could access changing rooms, meeting spaces, physio spaces / sports labs, teaching spaces, playing fields with lights, a community multi sports facility, and various spectator spaces.

Page | 15





The WaiBoP Football Federation see these facilities serving a wide range of football programmes and users at different times including 'rehab' football (working with the DHB), ethnic groups (such as Muslim women), walking football, junior grade, older youth, senior and representative play. The proposed stadium is attractive to WaiBoP Football Federation because it can accommodate a wide range of activity such as coaching seminars, football training camps (at all levels), club games, representative games, junior football events, parent education seminars (such as 'good sports', and 'balance is better'). Bringing multiple codes together in one precinct was also seen as positive because it would enable a sharing of ideas and maximise asset use.

The Federation is supportive of this type of multi-sport boutique stadium model that facilitates community use. It is seen as moving away from the old stadium models that historically lock community users out. The integration of multi sports hub approach with a stadium is seen as a positive way to improve community level infrastructure while still allowing a more competitive event overlay (that is representative and professional level football events can still occur at certain times each year).

WaiBoP Football Federation stated they would be open to assisting Stadium management in the coordination / booking of football club use of the facility (that is distributing allocated field use amongst community club teams). They were also interested in seeing if the light exhibition space could be specified to enable very young junior football play to occur indoors (when commercial events are not using the space).

The Bay of Plenty Rugby Union are supportive of the proposed community stadium on Tauranga Domain. The Union sees the precinct as having long term strategic benefit to all levels of community and professional sport in the Bay of Plenty, especially Tauranga. The Union is supportive of the proposed scale of the stadium. The assets included in the precinct would facilitate uses such as NPC games, Black Ferns games, Super Rugby, touch competition, seven's events over summer, secondary school sevens, school sports events, club days, and club games. This type of use would see the stadium being used by all age ranges, genders, and ethnicities.

The Union is supportive of the stadium operating concept ("community focus") with the precinct being used for community level sports activity most of the time with professional event level as an overlay. The community use was seen as being of critical importance as was the boutique seating capacity.

Like the WaiBoP Football Federation the Union can see the precinct being used for community play, community coach training, and referees training (via training days and training camps). For example, the precinct would be ideal for "Rural 15s" a weekend programme that brings rural rugby players from across the region into weekend training and skill camps. The Union also perceived having a precinct with four fields (two of which are top quality) and support infrastructure will take the tension away from maintaining fields at key times of the year.

Tauranga Basketball stated they would like to see the precinct's light exhibition space be specified in such a way that it could also accommodate primary school age basketball programmes. It was understood this type of use would need to fit around commercial needs.

Basketball would also like to see the stadium accommodate outdoor basketball courts (full or half courts in stadium forecourt areas, or in event parking spaces). It was perceived these courts would further help activate the space outside of event use.

Page | 16





Indirect Use Benefits

The stadium concept contains both a light exhibition and a function space. The inclusion of these spaces would have a potential benefit for community sports users at Mercury Arena, Baypark. If the proposed stadium was developed these two spaces would take a proportion of the current commercial use out of the Mercury Arena. Thus, freeing up greater court hours (at Mercury Arena) for community sports. Bay Venues has calculated the following court hours would be freed up each month (Table 3-1).

Table 3-1: Bay Venues Limited Estimated Court Hours Returned to Community Sports Use

Month	Estimated Weekend Court Hours Freed up	Estimated Weekday after 4pm	Estimated Weekday (Before 4pm)
	Court Hours Freed up	Court Hours Freed up	Court Hours Freed up
Jan	84	108	144
Feb	60	108	144
March	168	216	288
April	84	108	144
May	168	216	288
June	168	216	288
July	84	108	144
Aug	168	216	288
Sept	168	216	288
Oct	84	108	144
Nov	168	216	288
Dec	252	108	144
Notes	19 weekends freed up across the year		

Source: Bay Venues Limited

Note: A court hour is = one court per hour (i.e. six court hours could be made up of 1 court for 6 hours or 2 courts for 3 hours etc) Hours returned if Light Exhibition and Function Spaces are Developed as part of the Stadium.

The main beneficiaries of additional court hours at Mercury Arena would be WaiBoP Football Federation (Futsal), Tauranga City Basketball, Volleyball Tauranga, and Tauranga Pickleball.

Tauranga City Basketball stated basketball was under extreme pressure in Tauranga (and outlying areas). Mercury Arena was seen as an essential facility for basketball in Tauranga.

The freeing up of additional court hours in the Mercury Arena for community basketball was seen as having a benefit across all basketball programme levels (such as youth, social, senior, representative, and walking basketball). Additional court hours would enable new players to be accommodated. Tauranga City Basketball stated the beneficiaries of this additional use would include all ages, genders, and ethnicities.

Another benefit that basketball perceived from removing existing commercial use from Mercury Arena was the minimisation of disruption to sports programming. Currently commercial events displace community sports activities. If this commercial use ceased, it was perceived that such disruption (outside of a few large events such as a home show) would be largely removed.

Basketball stated it is supportive of the concept of a light exhibition / function space being included in the proposed Tauranga Stadium.

WaiBoP Football Federation coordinate futsal in the Bay of Plenty and use Mercury Arena heavily. The Federation reported the lack of court time at Mercury Arena is restricting community futsal participation

Page | 17





in the Bay of Plenty and Tauranga. Currently there is latent demand the Federation cannot currently meet. This means some potential players cannot be accommodated or are participating at levels less than they might desire. It was believed with more court hours the Federation would be able to meet more of the demand across all levels of Futsal.

WaiBoP Football Federation stated if more court hours were available at Mercury Arena, they would anticipate less disruption to all futsal leagues at that venue. It was perceived that if additional court hours could be secured, they would benefit all age ranges, genders and ethnicities as Futsal was a growing sport with wide appeal.

Volleyball Tauranga and Pickleball largely mirrored the sentiments of the other indoor codes. Both were supportive of commercial activity being removed and relocated out of Mercury Arena so additional court hours were available for community sport. Both codes also identified removing commercial activity would make programming easier as they would not need to accommodate leagues temporarily in other facilities.

Regional benefits

The potential regional benefits associated with the stadium are anticipated to be associated with sports, education, and events. Bay of Plenty Rugby Union and WaiBoP Football Federation have stated they would use the stadium facility as a central regional training and event hub. The hub would be used to accommodate both regional players, coaching and administration training for the codes. For example, Bay of Plenty Rugby Union stated the precinct would be ideal for "Rural 15s" a weekend programme that brings rural rugby players from across the region into weekend training and skill camps. WaiBoP Football Federation indicated that facility could have regional benefit because it could accommodate a range of activity such as coaching seminars, football training camps (at all levels), club games, representative games, and junior football events. From a sport events perspective, the stadium would be ideally placed to host professional sports events that would be attractive to a regional market such as the Black Ferns, Wellington Phoenix, and NPC games. Such sport events are likely to attract most of the attendants from the immediate local area, the WBoP as well as a portion from the rest of the region.

With reference to the education component, students wishing to study sports sciences would have access to national level sports science labs and associated facilities within the region. This would add choice to residents, giving them an ability to stay within the region during their studies.

The precinct could host exhibitions and events attractive to a regional market may otherwise not have been exposed to.

Page | 18





4 Assessment of Effects

The Stadium will deliver a range of effects, spanning multiple dimensions including economic, social, and environmental outcomes. This section describes the anticipated social effects. Where applicable, the effects are compared against the socio-economic context. However, as mentioned earlier it is not always possible to describe the impacts in quantitative or qualitative terms. The effects can be positive, negative, or indifferent (no change) and the direction of effect is often based on personal beliefs and reasons for the identified direction are outlined.

The primary focus of this assessment is Tauranga City, which is expected to experience most of the immediate social impacts. This is due to proximity considerations as well as the scale of the local population relative to that in WBoP. Regardless, impacts across the broader region (WBoP) are also considered and outlined.

The impacts were assessed using the bespoke SIA framework introduced earlier (Section 1.3). Two main types of social impacts are anticipated:

- First, direct impacts caused by the stadium and which cause changes to occur within the existing community, as measured using social indicators, such as population, health, and employment.
- Secondly, indirect impacts that are generally less tangible and more commonly relate to matters such as community interactions, identity, and sense of place. These indirect impacts cannot be quantified and rely on a more qualitative description.

Several themes are considered, and each is presented in unique heading and in table format with the following headings:

- The effect and impacts,
- An overall rating of the effect, and
- Comments and benefits are summarised from a social perspective.

In the assessment of effects, each effect has been given an overall rating. The rating is designed to provide direction as to the weight of the effect and the degree of mitigation required. For some effects, mitigation has already been achieved by 'avoidance of effects' through the engagement with key stakeholders and community groups or through design elements at earlier stages in the project.

The overall ratings applied to the effects are:

Most Negative Negative No Change Positive Most positive

Importantly, there is overlap between the effects and the themes. Therefore, an effect can be across multiple themes, but the tables clarify the relevant perspective.

The latter part of this section draws on the economic impact assessment work, and reports income effects, occupations and Māori employment. These aspects are associated with the economic impacts, but they have a distinct social dimension i.e., income returned to households provides an indication of the monies paid to workers throughout the economy.

Page | 19





4.1 Health and wellbeing

Physical and mental health, access to open space, participation in recreational activities, and effects on community health.

Effect and impacts	Rating	Comments and benefits
The stadium will deliver an expanded range of events. New high-profile sporting matches, festivals, concerts, and community events will create more opportunities for social interaction across the sub-region (Tauranga and WBoP), improving overall community wellbeing.		 The mix of events need to be considered to ensure diversity in events, catering for different community groups and sub-cultures. Social cohesion is supported by the extra (new) events providing opportunities for people to meet and interact with other community members. Shared experiences allow individuals to create memories and build relationships with friends (creating a sense of shared identity among community members). At a regional level, the stadium will add to the scope and options of events that are available for residents to attend, offering more choice.
Improved fields and an overall lift in amenity quality will support wider use, and user-participation, with the potential to increase physical health benefits by minimising no-play time.		 Field improvements include upgraded drainage of the sand field full size pitch. This will reduce seasonal downtime (e.g., flooding in winter) and loss of match play. The improved facilities could lead to competition between facilities and a migration between sport entities (e.g., clubs). There could be a degree of substitution between sport entities, with a 'migration' to new facilities. In turn this could undermine the viability of some entities. However, this risk should be seen in the context of strong expected population growth. The growth in population across the subregion suggests that the City is getting to a point where it needs high quality facilities to align with the size and profile of Tauranga. These impacts will be felt across: Individual members (access to better facilities and user-benefits, and health benefits) Sport entities (competition for members) Community groups and recreational users (better facilities, wider array of events) Access to parks and natural areas promotes active lifestyles and can support stress reduction. Overall, the availability of social amenities contributes to a better quality of life. Reduced stress, improved physical and mental health, and a sense of community support all combine to enhance well-being and life satisfaction.

Page | 20





Additional indoor court hours are freed up for community sports use in Mercury Arena, Baypark (due to the development of the light exhibition and function spaces within the stadium enabling the transfer of commercial use).	 Increased indoor court hours being freed up in Mercury Arena for community sports such as basketball, volleyball, futsal and pickleball. This will increase participation and the frequency of play with the potential to increase physical health benefits.
The stadium will create more positive experiences for stadium users (spectators and players). A positive overall stadium experience may improve motivation and participation in sports for both spectators at the social and amateur level, and players competing at higher levels.	 Increased attractiveness of entities and ability to attract new users. This will growth the user base, generating additional user-activities and growing the support base. In turn this supports the financial and economic viability of entities. Attracting more individuals to participate in sports by offering opportunities to experience higher quality amenities, reduced risks of injury (lower ACC costs) and so forth. Build the local talent pool, specifically within Tauranga. Foster good physical and mental health outcomes for both players and spectators. Greater convenience and access to quality facilities supports overall participation levels. In turn, this generates positive health and mental health outcomes.
The stadium will host high profile sports games, displaying positive role models (players and coaches) for young people.	The overall wellbeing of young people has the potential to increase as a result of exposure to professional sporting matches and other associated events. Additionally, hosting exposure events (meet and greets at training) can facilitate exposure to role models, lifting mental health outcomes.
Increased noise and dust levels during the construction programme may affect public health, specifically residents, workers, and visitors within the immediate surrounding area.	 Disruptions during the construction stage can reduce mental health and wellbeing of residents, and individuals exposed to the noise, dust, congestion, vibration and so forth. These factors need to be addressed during the construction phases using best practise approaches. These effects are expected to be most pronounced in the areas close to the stadium, as well as along key transport routes. The current disruptions associated with Cameron Road improvements could be used as a way to identify lessons and identify additional ways to reduce risk and mitigate the effects of disruptions. There are likely to be some business disruptions during construction. At the extreme end, these disruptions could have adverse mental health effects on owners and employees.

Page | 21





4.2 Urban Form Uplift

Consequences of changes to the urban form for people and communities; urban form uplift, business activity, vitality and vibrancy of the area.

Effect and impacts	Rating	Comments and benefits
Urban intensification is being enabled (Plan Change 33) and the stadium project will support a compact urban form.		 The Council is enabling additional residential development capacity in Tauranga (in line with the NPS-UD and MDRS). The Stadium will contribute towards a compact urban form, supporting the creation of high-quality urban amenity and environment. The compact form supports greater housing choices, transport options, local amenities and infrastructure needed to support healthy and connected communities. Additionally, the compact form improves urban efficiency, reduces transport costs (emissions) and supports efficient land use patterns. The location is a good fit, with transport links to the wider transport network, and close to the city (CBD). This means that it will be convenient for users (e.g., of an event) to access local attractions in the CBD. The ease of access will support and enhance the overall visitor experience. The stadium together with other development initiatives in the CBD will provide opportunities for sport and entertainment activities. The proposed stadium will meet the growth needs of the regional, and local (Te Papa) communities by providing access to community and event facilities.
The stadium would support other regeneration and development projects in Central Tauranga – helping to transform Tauranga's CBD and building a thriving city that meets the needs of the population today and in the future.		 Tauranga's CBD blueprint demonstrates the major developments that are committed for the CBD within the next 8 years. The proposed stadium will support and complement these by assisting in generating scale and adding diversity. The different projects will combine and support further commercial development in central Tauranga by changing the underlying land values. The stadium along with other committed projects highlights investor confidence in Tauranga's growth trajectory of the CBD, as well as confidence in Tauranga as an investment location. Enhance overall vitality and vibrancy of Tauranga CBD through improved access to community facilities and events, including sporting, festivals, and concerts. Potential catalyst for further commercial development in central Tauranga.

Page | 22

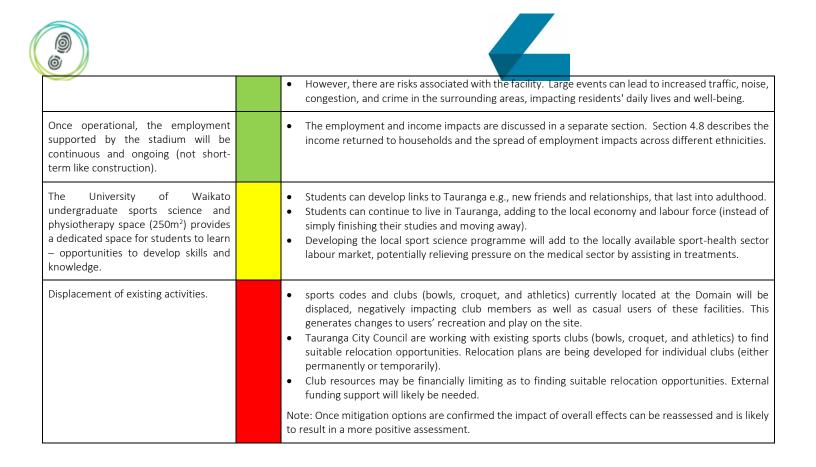
		 Integration and alignment of the stadium development with existing District Council and regional strategic documents and plans, suggesting that it will not duplicate existing efforts, or dilute the markets of other projects. Coordinated deliver across multiple projects will generate synergies and should contribute to cost effective delivery.
	Perceived improved site utilisation	 Establishing ability of the multi-use stadium to host a range of events (sporting, commercial and entertainment) will improve the productivity of the existing site, enabling more people to use and access the public resource. This increase in access could, however, generate displacement of some existing uses and care will be needed to ensure that the existing users have a suitable alternative (if practical and affordable).
	Potential neighbourhood effects and associated property value change arising from the stadium investment.	 The stadium will alter the local land values and land use profiles. These effects will reflect a range of positive and negative factors. At the positive end, the land values will reflect shifts in the relative attractiveness of the location and access to new clients (greater opportunities) arising from the stadium. Conversely, at the negative end is factors like congestion, nuisance values and a change in the local character (often seen a negative impact by local residents). Increasing the relative intensity of use (of the Domain) will contribute towards passive surveillance. The presence of event facilities can lead to improvements in public safety infrastructure and policing, benefiting the overall safety and security of the community.

4.3 Way of Life

Encompasses how people interact, recreate, move around, work and play. Changes to human capital (knowledge) and ability to fully participate in work, study, recreation, and society more broadly.

Effect and impacts	Rating	Comments and benefits
Increases in opportunities to participate in/access events		 Event experiences are optimised by the stadium, giving people greater access to events, including access to a wider variety of events (sporting, festivals, and concerts). The quality of the facility will contribute to people attending multiple events, enriching their lives, and exposing attendees to different cultures, music styles, and artistic expressions, fostering cultural appreciation and understanding.

Page | 23



Page | 24



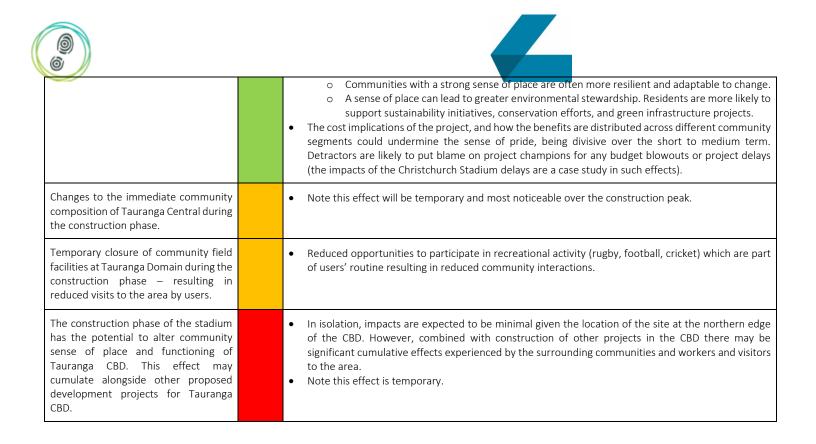


4.4 Community

Composition, cohesion, character, how it functions and sense of place.

Effect and impacts	Rating	Comments and benefits
Increase exposure to events and diversity.		 The stadium has the potential to increase diversity of patrons for events, drawing patronage across the sub-region – improving social diversity and changing the social composition of the community that has exposure to events. Lift in volunteer levels – engaging in social activities and being part of an activity increases social cohesion.
Improved sense of place and civic pride. Specific elements of the stadium are intended to enhance the aesthetic value of the site. The seating and overall layout of the stadium is designed to amplify and frame the view to Mauao as well as maintaining views of the wider landscape.		 Improved sense of place and civic pride is likely to be felt directly by Tauranga residents, with a smaller effect across the WBoP communities. Increased community pride via people developing a deeper connection to the surroundings and the areas where they live. This has the potential to increase care and investment in the surrounding communities, leading to a lift in community wellbeing. A sense of pride can deliver a range of benefits, including: Feeling connected to a place and appreciating unique attributes can lead to greater life satisfaction and wellbeing. Encourages social interaction and community engagement. Higher levels of cultural preservation and promotion i.e., of traditions, and historical landmarks. This preservation can safeguard the community's unique identity and promote cultural diversity. Generate and reinforce reputational benefits that can influence property values meaning that residents and investors are willing to pay a premium to live in areas that are perceived as desirable and well-loved. If green spaces and community-oriented infrastructure are integrated in the design, it can support physical and mental health. Sense of place encourages civic engagement, with residents more likely to participate in local decision-making processes and community projects.

Page | 25



Page | 26



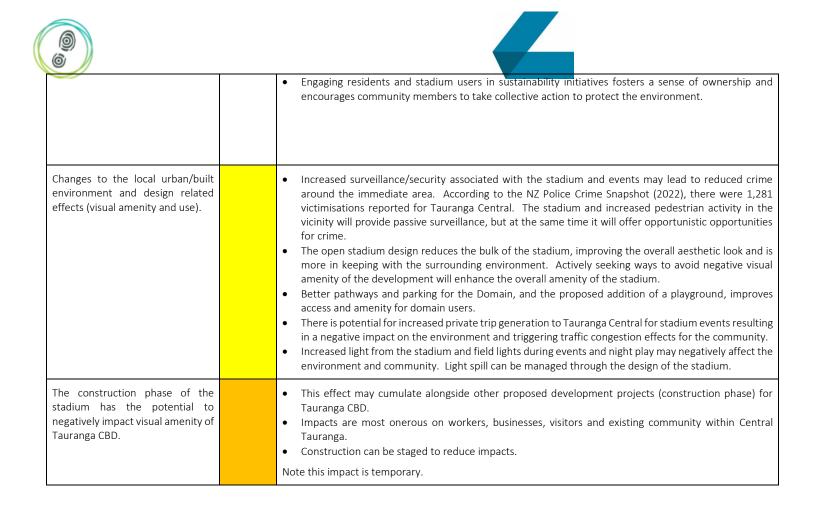


4.5 Environment and Amenity

Consequences of changes in the environment (natural and built) for people and communities, the ability to manage and sustain the environment in a culturally appropriate ways, aesthetic value and amenity.

Effect	Rating	Comments/Recommended Mitigation
Environmental effects		 The proposed stadium design incorporates sustainable practices such as the use of low carbon material (engineered timber structures), rainwater storage and reuse, and onsite energy production (PV panels). These design strategies will reduce the impact of the development on the natural environment. The location and contribution to a compact urban form (discussed earlier) will assist the local community to reduce overall emissions and environmental footprints.
Impacts of stadium events		 Hosting events can have a negative environmental effect, that can in turn damage the reputation of the stadium, and Tauranga communities. This can be countered by using the events (and facilities) in a way that supports environmentally sustainable practices. This can enhance the reputation of the event facility and the community. Being known for hosting eco-friendly events can attract environmentally conscious visitors and investors. Examples of the potential negative environmental impacts include: Environmental degradation from poor event practices, such as excessive waste generation, energy consumption, and water usage. Noise and air pollution – large events can generate noise and air pollution, causing disturbances for residents living in the vicinity of the stadium. This can affect their health and well-being. Inadequate waste management during events can lead to littering and pollution, impacting the aesthetics and cleanliness of the surrounding community. Large events can lead to increased traffic congestion, resulting in longer commute times and reduced accessibility for local residents. This can disrupt daily life and contribute to air pollution. Strategies to manage and mitigate these negative impacts should be implemented. Event facilities can minimize their negative social and environmental impacts while contributing to a more eco-friendly and socially responsible community.

Page | 27



Page | 28



Perceived negative impact on the environment and local community during the construction phase, specifically noise, vibrations and other air pollutants.



- Impacts will be felt by households and businesses closest to the construction site.
- Negative impacts can be mitigated through noise and pollution management plans and via community notice (letter, online, community meeting) regarding the anticipated construction period and appropriate management.

4.6 Culture

Shared beliefs, customs, values and stories, and connections to land, places, buildings.

Effect and impacts	Rating	Comments/Recommended Mitigation
Build and enhance cultural relationships and bring together cultures and communities across the sub-region.		 As identified in the business case, the stadium creates an opportunity to incorporate Māori design into the final stadium design concept. Engagement with mana whenua representatives recommended the stadium design follow the agreed Tauranga Moana design guidelines. Promote and celebrate cultural diversity through improved access to music and other live events such as cultural festivals, kapa haka and local artists. Ability to showcase local talent for the sub-region.
		 The stadium will create opportunities for Tauranga to host Māori sporting competitions (age group, amateur) as well as professional matches (Māori All Blacks) promoting and celebrating Māori culture. The stadium will foster a positive relationship with both local iwi and other ethnic community across the engagement processes and various project stages. Outcomes will depend on the level of engagement with iwi and community, and willingness of groups to participate in the engagement process. Mana whenua involvement and meaningful input into future planning processes (such as detailed design) is crucial to building and fostering this relationship.
Changes to the local community's connection to place.		• There is a risk that existing club members' connection to place will be negatively impacted via the displacement of sporting codes and clubs and the removal/demolition of buildings and associated facilities. The heritage and history of sporting codes and clubs may be intertwined with the existing buildings and Domain space.

Page | 29





4.7 Fears and Aspirations

Real or perceived fears and aspirations across the communities.

Effect	Overall Rating	Comments/Recommended
Key fears		 Fears may arise from affected residents and community groups regarding transparency of the project and desire to stay informed throughout the project. Additional fears may arise regarding funding of the project and the potential exposure via Council to rates increases. Fear around the displacement or loss of existing community facilities at Tauranga Domain. Existing community fields will be retained, and the multi-use stadium will be available for community sport when not in use commercially. Overall, the stadium will create more opportunities for sporting, commercial and community events compared to the current site infrastructure. Concerns may arise regarding traffic and parking congestion during construction of the stadium. This will impact both residents and businesses in the immediate vicinity. Safety fears for family and children may arise during the construction period, particularly for users of the domain fields. Fears regarding the stadium's operation, specifically the impacts on nearby residents and businesses including noise level of events, alcohol induced behaviour (pre and post event) and congestion of local roads (parking and access to stadium). Residents and businesses should be made aware that the number and length of events is constrained due to consent issues associated with noise and traffic management plans. This will help manage fears regarding the stadium's operations. Fears arising from sports clubs and club members (bowls, croquet and athletics) in relation to the displacement as a result of the stadium. Specifically, clubs may have locational and financial fears in relation to finding suitable relocation opportunities.
Key aspirations		 A key ambition for the multi-use stadium is to host a variety of sporting, commercial and community events – creating a diverse range of opportunities for Tauranga residents, businesses and community groups. Overall, the stadium development aims to deliver wider social and economic benefits to the sub-region – Tauranga and WBoP.

Page | 30





4.8 Employment effects and income

The stadium has the potential to provide an economic impulse as it is developed. This impulse will stimulate the local (Tauranga) and wider (rest of Bay of Plenty) economies, creating and sustaining employment. The supported jobs can be viewed from a social impact perspective and the jobs have different attributes and fall in different sectors. Further, some jobs impacts are transitory, like construction jobs, and other are durable (ongoing).

These impacts are drawn from previous economic modelling work Market Economics has carried out for the preliminary business case. However, additional metrics and dimensions were added to that modelling to show the results at a more disaggregated level, including:

- Māori employment,
- High level occupations, and
- Income returned to households.

The impacts across the construction, life cycle and ongoing operations are discussed. The construction and lifecycle stages of the project, and the associated jobs are temporary in nature, but they provide important and useful links between the community and the investment activities. The ongoing jobs are seen as 'higher' quality opportunities for the community, as the jobs created represent continuous employment¹².

4.8.1 Māori Employment

The total employment impacts as estimated for the preferred stadium option have been adjusted to reflect the employment impacts to Māori. Using StatsNZ data (Census 2018), the proportions of Māori employed, by industry, and by region have been applied to the employment impacts. Essentially, the approach reflects the known sector-ethnicity relationship to the employment impacts. It assumes that the historic sector-ethnicity relationship remains constant. The results are reported across the direct and indirect impact and the total impact. The different parts of the project are reported separately.

4.8.1.1 Construction Activity

The employment impacts on Māori of the one-off construction activity, for Tauranga City and Rest of BoP, for the preferred stadium option are shown in Table 4-1. The direct and indirect employment impacts to Māori are 73 jobs (at the peak) while the total employment impacts are 91 jobs. The majority of Māori jobs are supported in Tauranga and a smaller proportion are supported across the rest of BoP. People identifying as Māori are projected to represent around 17% of the total employment impact (during construction, and across the supply chain).

Clearly, the total number of jobs represented by Māori is associated with the size of the activity and the sectoral spread. In turn, these are also impacted by the current employment-sectoral mix. The share of Māori in the overall employment impact is driven by the distribution of the activity across the region.

Page | 31

¹² Continuous in the sense that at the expect level of output, the employment demands of the opportunities will occur as long as the stadium operation is in existence.





Table 4-1: Māori MECs employed at peak year of one-off construction activity

	MECs				
	Direct and Indirect	Total (Includes Induced)			
Tauranga City	57	69			
Rest of Bay of Plenty	16	22			
Total	73	91			

4.8.1.2 Lifecycle

Lifecycle employment includes employment associated with maintenance and refurbishment of the stadium and associated facilities over time. The impact of the lifecycle activity on Māori employment is presented in Table 4-2. The direct and indirect employment impacts to Māori are 40 jobs (at the peak) while the total employment impacts are 49 jobs. Again, the majority of Māori jobs are supported in the local economy (Tauranga City) with a smaller proportion supported across the rest of the BoP. The lifecycle employment opportunity for Māori is similar to the construction activity, with people identifying as Māori projected to represent around 18% of the total employment impact.

Table 4-2: Māori MECs employed at peak year of lifecycle activity

	MECs				
	Direct and Indirect	Total (Includes Induced)			
Tauranga City	31	37			
Rest of Bay of Plenty	9	12			
Total	40	49			

4.8.1.3 Ongoing Operations

The impact of the ongoing activity on Māori employment is shown in Table 4-3. The direct and indirect employment impacts to Māori are 56 jobs, while the total employment impacts are 71 jobs. Overall, the number of Māori jobs represents approximately 16% of the total employment impact. This is consistent with Māori construction and lifecycle jobs discussed above.

Table 4-3: Māori MECs employed at peak year of ongoing operations activity

	MECs			
	Direct and Indirect	Total (Includes Induced)		
Tauranga City	52	62		
Rest of Bay of Plenty	4	9		
Total	56	71		

Page | 32





4.8.2 Employment by Occupations

This section summarises the projected employment in occupational terms. One extension to the employment impacts that is useful to understand is the occupational make-up of estimated employment generated by the stadium. This extension was developed as part of the work for MBIE and subsequently applied for PriorityOne and other clients. This information assists in providing an indication of the skills/labour force requirements in response to the economic impulse.

The occupational effects can be calculated for the stadium project. At the core, the module links an 'occupation by industry' matrix with the sectoral employment impacts as estimated for the different opportunities. This data provides an occupation structure (at the 6Digit ANZSCO level) of the total labour force for each industry.

The proposed stadium and associated facilities (and ongoing activities) will support a lift in economic activity, and support labour. The construction, lifecycle and ongoing operations phase are included in the modelling. The three phases are distinct and reported separately. The section provides projections for the number of jobs by occupation for the total employment impacts (direct, indirect, and induced) for Tauranga and rest of BoP. For simplicity, the results are presented at the 1-Digit classification level, but additional detail can be provided if needed.

4.8.2.1 Construction activity

Table 4-4 shows the distribution of employment across occupations for construction activity. As expected, the projected distributions of the construction activity see wide demand for technicians and trades workers, with managers and professionals also prominent. For both Tauranga and rest of BoP, technicians and trades workers are the largest occupation group at 113 for Tauranga and 28 for rest of BoP.

Table 4-4: Occupational breakdown – Construction activity at peak year

Occupation	Tauranga	Rest of BoP	Total
Managers	77	22	100
Professionals	51	17	67
Technicians and Trades Workers	113	28	140
Community and Personal Service Workers	17	6	24
Clerical and Administrative Workers	40	12	52
Sales Workers	23	8	31
Machinery Operators and Drivers	27	10	37
Labourers	49	20	69
Total	397	124	520

Compared to Tauranga, the rest of BoP has a lower distribution of technicians and trades works and a slightly higher share of labourers. The remaining occupational distributions are relatively similar between the two areas. Total construction employment (per year) at the peak year is 397 MECs for Tauranga and 124 MECs for rest of BoP. The patterns highlight the notion that the professional and planning work, as well as the management work associated with the project will be delivered from Tauranga. In addition, the technical and trade employment impacts will be felt locally.

Page | 33





4.8.2.2 Lifecycle Activity

The projected distribution of employment across occupations for the lifecycle activity of the stadium is shown in Table 4-5. The projected distributions are skewed towards technicians and trades workers as well as managers. Other prominent occupations include labourers and professionals.

Table 4-5: Occupational breakdown – Lifecycle activity at peak year

Occupation	Tauranga	Rest of BoP	Total
Managers	43	12	55
Professionals	26	9	34
Technicians and Trades Workers	60	15	75
Community and Personal Service Workers	9	3	13
Clerical and Administrative Workers	21	7	28
Sales Workers	12	5	17
Machinery Operators and Drivers	15	5	20
Labourers	27	11	38
Total	212	67	279

Total employment impacts for Tauranga are estimated at 212 jobs at the peak year, while 67 jobs are estimated for rest of BOP. Technicians and trades workers (75 jobs) is the largest occupation, followed by managers (55 jobs), labourers (38), and professionals (34), with smaller proportions distributed across the other occupations. As observed for construction activity, the rest of BoP has a lower distribution of technicians and trades works and a slightly higher share of labourers compared to Tauranga.

The majority of employment will be supported in the local Tauranga economy, however, rest of BoP will still experience some employment impacts and the mix of occupations is fairly similar to the overall distribution.

4.8.2.3 Ongoing Operations Activity

The projected distribution of employment across occupations for the ongoing operations is shown in Table 4-6.

Table 4-6: Occupational breakdown – Ongoing operations activity at peak year

Occupation	Tauranga	Rest of BoP	Total
Managers	69	9	78
Professionals	56	7	63
Technicians and Trades Workers	45	6	51
Community and Personal Service Workers	36	4	39
Clerical and Administrative Workers	33	5	38
Sales Workers	76	4	80
Machinery Operators and Drivers	22	3	25
Labourers	44	10	54
Total	380	48	428

Page | 34





The projected distributions are well spread across the occupations, with sales workers (80 jobs) as the largest occupation overall. Managers (78 jobs) and professionals (63 jobs) follow this. Overall, these three occupations make up over half of the total employment impacts for Tauranga and rest of BoP.

Tauranga has the largest total employment impact per year (at the peak) with 380 jobs, while rest of BoP will experience 48 jobs. The occupational distributions across Tauranga and rest of BoP differ slightly with higher proportions of sales workers in Tauranga (20%), compared to rest of BoP (9%). Furthermore, a higher proportion (22%) of labouring jobs in rest of BoP are projected, compared to Tauranga (11%). These differences in occupational distributions for the areas are expected given the stadiums location in central Tauranga.

4.8.3 Income returned to households

Income returned to households as a percent of value added (VA) is projected across the construction, lifecycle and ongoing operations phase for the preferred stadium option. Table 4-7 shows net present value (NPV) calculated for the total impacts (direct, indirect and induced) for Tauranga City and rest of BoP.

Table 4-7: Income returned to households as percent of VA (NPV @ 5%, \$'m)

	Phase				
	Construction	Life Cycle	Ongoing		
Direct and Indirect					
Tauranga City	\$18	\$6	\$119		
Rest of Bay of Plenty	\$6	\$2	\$12		
Total	\$24	\$8	\$130		
Grand Total		\$161			
Total (including Induced)					
Tauranga City	\$22	\$7	\$146		
Rest of Bay of Plenty	\$8	\$3	\$22		
Total	\$30	\$10	\$168		
Grand Total		\$209			

The NPV of total direct and indirect impact to income returned households in Tauranga City and rest of BoP is \$161m and the total (including induced) impact is \$209m. These estimates suggest that the value of income returned to households is worth \$209m in today's terms. The returns to households show that while the activities associated with construction and the lifecycle costs are considerable (\$24m and \$8m) for the direct and indirect links, the true income impacts are associated with the ongoing activities (\$130m). For this component the impacts are markedly greater than the one-offs (construction) impacts. This underlines the value of the investment and the resulting income opportunities that are returned to households over a long timeframe.

Page | 35





4.9 Summary of Effects

The proposed multi-use stadium has a range of potential effects – both positive, negative and indifferent. The assessment is guided by information that is known to date and therefore as the project progresses through conceptual design, stakeholder engagement, construction and operations, additional effects may emerge as the project evolves overtime.

The overall social and community impact of the multi-use stadium development is expected to be positive. The stadium is anticipated to deliver a wider range of benefits, compared to the existing use of the site, as identified across the assessment SIA framework. Tangible benefits such as the projected employment opportunities and income returned to households via the stadium development have been quantified. However, other less tangible benefits such as improved community interactions, sense of place and civic pride cannot be easily quantified yet are still considered benefits.

There is potential for negative effects during the construction phase on the community and environment. However, it is expected that these will be managed appropriately as part of the construction management plan. Additionally, construction impacts are temporary in nature. It must be noted that construction impacts may have a cumulative affect if other major development projects in Tauranga CBD are anticipated to commence construction around the same time.

One of the key potential negative impacts is the displacement of some clubs and facilities (bowls, athletics and croquet) from the Domain site. Work will be required to relocate affected clubs to other suitable sites in Tauranga to minimise these effects. We understand this work is being led by Tauranga City Council and that viable relocation options exist so there is no requirement for any code to cease operations (because of the development of the stadium).

Page | 36





5 Conclusion

Analysing the wider social and community impacts of the proposed community multi-use stadium in Tauranga is important because the impacts can have a positive effect on the health and wellbeing of the people who use the facility, foster social interactions and community participation, and provide an important source of employment and economic development for the local economy.

The proposal is to construct, operate and maintain a community multi-use boutique stadium on the Tauranga Domain site. The preferred stadium option provides for a range of events and uses including professional sport, cultural events, festivals, commercial concerts, and community events. In addition to the stadium, the preferred option also includes a range of complementary and supporting spaces that enables a wide range of activities (such as light exhibition and function spaces).

It is important to acknowledge that the stadium has a unique operating model and design. Unlike any other New Zealand Stadia, the proposed precinct has constant community access and use. Professional sports and commercial use are treated as a periodic event overlay. This helps maximise community benefits.

Site availability for the stadium is dependent on three existing users (athletics, croquet, and bowls) being relocated to alternative sites in Tauranga. The existing sports fields north and south of the athletics track and other clubs (tennis and cricket) will remain.

The assessment of effects considered the potential social effects of the preferred stadium option that may result, relative to the baseline scenario of the existing use of the site and social context. Overall, Tauranga City communities are expected to experience social impacts associated with the proposed development most directly. Impacts to the broader community (WBoP) are less pronounced and generally involve a particular issue that is also present within Tauranga.

The wider social and community impacts of the proposed multi-use stadium are complex and multifaceted. The proposed multi-use stadium has a range of potential effects – both positive, negative, and indifferent. Overall, the wider social and community impact of the community multi-use stadium development is expected to be positive. The stadium is anticipated to deliver a wider range of benefits, compared to the existing use of the site, as identified across the assessment SIA framework. Tangible benefits such as the projected employment opportunities and income returned to households via the stadium development have been quantified. However, other less tangible benefits such as improved community interactions, sense of place and civic pride cannot be easily quantified. In qualitative terms, these effects are likely to be considerable.

There is potential for negative effects during the construction period on the community and environment. However, it is expected that these will be managed appropriately as part of the construction management plan. Additionally, construction impacts are temporary in nature. It must be noted that construction impacts may have a cumulative affect if other major development projects in Tauranga CBD are anticipated to commence construction around the same time.

One of the potentially negative social impacts is the displacement of some clubs and facilities (bowls, athletics, and croquet) from the Domain site. However, it will be possible to design and implement measures to mitigate these effects. Once mitigation options are confirmed the impact of overall effects can be reassessed and is likely to result in a more positive assessment.

Page | 37





The development of the light exhibition and function spaces within the stadium will have benefits to community sports because it will free up court hours in Mercury Arena, Baypark. Commercial use would be transferred from Mercury Arena to the stadium. Bay Venues has estimates this would generate circa 6,000 court hours being freed up per annum for community sports such as basketball, volleyball, futsal and pickleball. These codes have indicated that they will use the additional court hours to increase participation and the frequency of play.

Page | 38





Appendix 1: Community Demographics

This appendix is an expansion of the information contained in Section 2 and draws on previous work undertaken by M.E for Tauranga and WBoP, specifically the Housing Demand Assessment: Tauranga City and Western Bay of Plenty (2021).

Household Income

Table A. 1 shows the results on a household income basis for the General Areas (GA). The following points are clear when considering the income distribution.

- In Tauranga, the GAs with a relatively high share (within the GA) of households with incomes cohorts below \$50,000, include:
 - o Greerton (50%),
 - o Gate Pa (44%) and
 - o Tauranga Central (42%).

For WBoP, the GAs with high shares of households with income levels below \$50,000 are:

- o Katikati (58%), and
- o Omokoroa (40%).
- Greerton has the highest proportion under \$30,000 at 31%,
- In Tauranga, the GAs with the highest concentration of high income (+\$100,000) households are:
 - o Tauranga Growth area Areas (48%),
 - o Mount Manganui (43%) and
 - o Pyes Pa (43%).
- The GAs with the highest proportions of households at the low- and high end of income distribution, do not necessarily have the most (count of) high/low income households. After adjusting the GAs for size, the following patterns emerge:
 - The Tauranga Growth Areas, Bethlehem, Pyes Pa, Mount Manganui and WBoP Rural areas appear to accommodate relatively higher shares of higher income (+\$100,000) households,
 - o Papamoa, Wairakei and Otūmoetai GAs are overrepresented in medium-high income households (\$70,000-\$150,000), and
 - o The rest of the GAs have mixed income levels with a wide spread of households, covering the low-, and medium-income levels (<\$30,000, and \$30,000 to \$100,000). For example, Greerton and Gate Pa feature strongly across these income bands but are underrepresented in the higher (+\$100,000) bands.

Page | 39





Table A. 1: General Areas – Household Income 2020

General Area	<\$30,000	\$30-50,000	\$50-70,000	\$70-100,000	\$100-150,000	\$150,000+	Total
Otumoetai	1,980	1,610	1,550	1,740	2,060	1,420	10,370
Bethlehem	520	630	480	460	580	670	3,340
Tauranga Central	260	230	190	170	150	160	1,160
Gate Pa	1,330	920	780	850	750	470	5,110
Greerton	630	400	290	340	270	100	2,030
Pyes Pa	650	600	510	710	1,020	800	4,290
Welcome Bay	1,110	1,070	1,060	1,310	1,640	950	7,140
Baypark-Kairua	60	70	90	80	80	80	460
Mount Maunganui	890	730	640	770	1,110	1,170	5,320
Papamoa	2,220	2,210	1,760	2,050	2,450	1,740	12,430
Wairakei	320	290	220	310	450	230	1,820
Katikati	600	600	330	240	220	80	2,060
Omokoroa	270	390	270	240	260	220	1,650
Te Puke	570	450	410	540	500	300	2,770
Tauranga Growth Areas	230	340	350	430	620	610	2,580
WBOP Rural	1,790	1,890	1,660	1,940	2,300	2,150	11,730
TOTAL HOUSEHOLDS	13,440	12,430	10,590	12,200	14,470	11,150	74,280
Otumoetai	19%	15%	15%	17%	20%	14%	100%
Bethlehem	16%	19%	14%	14%	17%	20%	100%
Tauranga Central	22%	20%	17%	14%	13%	14%	100%
Gate Pa	26%	18%	15%	17%	15%	9%	100%
Greerton	31%	19%	14%	17%	14%	5%	100%
Pyes Pa	15%	14%	12%	17%	24%	19%	100%
Welcome Bay	16%	15%	15%	18%	23%	13%	100%
Baypark-Kairua	13%	15%	20%	17%	18%	17%	100%
Mount Maunganui	17%	14%	12%	15%	21%	22%	100%
Papamoa	18%	18%	14%	16%	20%	14%	100%
Wairakei	17%	16%	12%	17%	25%	13%	100%
Katikati	29%	29%	16%	12%	11%	4%	100%
Omokoroa	16%	24%	16%	15%	16%	13%	100%
Te Puke	20%	16%	15%	20%	18%	11%	100%
Tauranga Growth Areas	9%	13%	13%	17%	24%	24%	100%
WBOP Rural	15%	16%	14%	17%	20%	18%	100%
TOTAL HOUSEHOLDS	18%	17%	14%	16%	19%	15%	100%

Household types

Table A. 2 reports the household type distributions across the different GAs. The following points are evident when considering the table:

- The average proportion of 'family with children' households across all the GAs is 38%. The GAs with the highest proportion of 'family with children' households are:
 - o Baypark-Kairua (46%),
 - o Tauranga Growth Areas (45%),
 - o Pyes Pa (43%), and
 - o Wairakei (43%).

The areas with the lowest proportions are:

- o Tauranga Central (22%),
- o Katikati (28%), and
- o Omokoroa (29%).
- GAs with relatively high concentrations of one-person and couple households include:
 - o Tauranga Central (70%),
 - o Omokoroa (69%) and
 - o Katikati (64%).

Page | 40





Table A. 2: General Areas – Household Types 2020

General Area	One Person	Couple	2 Parents 1- 2chn	2 Parents 3+chn	1 Parent Family	Multi-Family Hhlds	Non-Family Hhlds	Total households
Otumoetai	2,530	2,930	2,340	620	1,270	260	420	10,370
Bethlehem	660	1,360	740	210	220	100	50	3,340
Tauranga Central	430	390	130	20	100	-	80	1,160
Gate Pa	1,520	1,200	870	280	700	180	370	5,110
Greerton	650	460	350	70	310	30	160	2,030
Pyes Pa	750	1,450	1,250	290	310	150	90	4,290
Welcome Bay	1,300	2,350	1,800	460	770	230	240	7,140
Baypark-Kairua	90	130	110	40	50	20	10	460
Mount Maunganui	1,400	1,770	970	250	440	90	400	5,320
Papamoa	2,680	3,980	2,880	730	1,360	270	520	12,430
Wairakei	330	640	520	130	130	30	40	1,820
Katikati	560	770	290	80	210	70	80	2,060
Omokoroa	330	810	300	90	90	20	10	1,650
Te Puke	610	690	530	210	360	190	180	2,770
Tauranga Growth Area	370	910	770	200	180	90	50	2,580
WBOP Rural	2,420	4,650	2,470	760	790	390	240	11,730
TOTAL HOUSEHOLDS	16,630	24,460	16,300	4,450	7,320	2,150	2,950	74,280
Otumoetai	24%	28%	23%	6%	12%	3%	4%	100%
Bethlehem	20%	41%	22%	6%	7%	3%	1%	100%
Tauranga Central	37%	33%	11%	2%	9%	0%	7%	100%
Gate Pa	30%	23%	17%	6%		4%	7%	100%
Greerton	32%	22%	17%	4%	15%	2%	8%	100%
Pyes Pa	17%	34%	29%	7%	7%	4%	2%	100%
Welcome Bay	18%	33%	25%	6%	11%	3%	3%	100%
Baypark-Kairua	20%	27%	25%	9%	12%	4%	2%	100%
Mount Maunganui	26%	33%	18%	5%	8%	2%	8%	100%
Papamoa	22%	32%	23%	6%	11%	2%	4%	100%
Wairakei	18%	35%	29%	7%	7%	2%	2%	100%
Katikati	27%	38%	14%	4%	10%	4%	4%	100%
Omokoroa	20%	49%	18%	5%	5%	1%	1%	100%
Te Puke	22%	25%	19%	7%	13%	7%	6%	100%
Tauranga Growth Area	14%	35%	30%	8%	7%	4%	2%	100%
WBOP Rural	21%	40%	21%	6%	7%	3%	2%	100%
TOTAL HOUSEHOLDS	22%	33%	22%	6%	10%	3%	4%	100%

Household overcrowding

There are several different ways to measure 'crowding'. StatsNZ uses the Canadian National Occupancy Standard (CNOS) which calculates the number of bedrooms needed based on the demographic composition of the household¹³. This approach assesses the bedroom requirements of a household based on the following criteria:

- There should be no more than two persons per bedroom,
- Children less than 5 years of age of different sexes may reasonably share a bedroom,
- Children 5 years of age or older of opposite sex should have separate bedrooms,
- Children less than 18 years of age and of the same sex may reasonably share a bedroom; and
- Single household members 18 years or older should have a separate bedroom, as should parents or couples.

Using this measure, households that require at least one additional bedroom are considered to experience some degree of crowding. CNOS is said to be the best measure in the NZ context, both for data quality and for cultural norms.

Page | 41

¹³ Statistics NZ, April 2020. <u>https://www.stats.govt.nz/news/almost-1-in-9-people-live-in-a-crowded-house</u>





Kāinga Ora – Homes and Communities use similar, but slightly different, guidelines¹⁴ to identify crowding in the home. The main difference being the age at which children of different genders could reasonably share a room. If a household does not meet any of the criteria below, it will be crowded:

- there will be no more than two people per bedroom,
- children of a different gender 10 years of age or older should not share a bedroom, and
- household members 18 years old or over should have a separate bedroom, unless they are a couple.

Census 2013 reported 10.1% of all respondents (nationally) are living in a crowded house, i.e. needing one or two additional bedrooms. This increased to 10.8% in Census 2018, with one in nine people living in crowded conditions. For Māori and Pasifika, the ratio is much higher, with 1 in 5 Māori experiencing crowding and 4 in 10 Pasifika people living in a crowded house. In Tauranga City, 7.5% of people live in crowded or severely¹⁵ crowded households, and in WBOP this share is 9.2%.

Table A. 3 shows the spatial distribution across Tauranga City and Western Bay of Plenty, of people living in crowded households. The figures are presented at a General Area level.

Table A. 3: Crowded Household per General Area (Census 2018)

General Area	Crow (% of househol		GA's % of crow	crowded houses	
	All People	Māori	All People	Māori	
Otūmoetai	7%	21%	13%	14%	
Bethlehem	3%	17%	2%	2%	
Tauranga Central	9%	18%	1%	1%	
Gate Pa	14%	27%	12%	13%	
Greerton	10%	23%	3%	3%	
Pyes Pa	4%	9%	3%	1%	
Welcome Bay	9%	23%	12%	14%	
Baypark-Kairua	25%	34%	2%	4%	
Mount Maunganui	5%	12%	4%	3%	
Papamoa	7%	16%	15%	14%	
Wairakei	3%	8%	1%	1%	
Katikati	9%	20%	3%	2%	
Omokoroa	4%	12%	1%	1%	
Te Puke	19%	28%	10%	8%	
Tauranga Growth Areas	7%	19%	3%	3%	
WBOP Rural	8%	23%	13%	17%	
Total	8%	21%	100%	100%	

From the above table, it is evident **Māori households are over represented in crowding statistics**. Based on Census information, 43% of the people living in crowded dwellings are Māori.

Page | 42

 $^{{}^{14} \ \}underline{\text{https://kaingaora.govt.nz/assets/Publications/OIAs-Official-Information-Requests/March-2019/OIA-13-March-2019-HNZ-properties-in-Paeroa.pdf}$

¹⁵ A severely crowded dwelling is defined as a dwelling with a deficit of two or more bedrooms, according to CNOS.





The spatial distribution of crowded dwellings is concentrated in several GAs. Three quarters of households living in crowded conditions are located in six GAs (the percentages are compared to the overall total and sum to 75%):

•	Otūmoetai	13%,
•	Gate Pa	12%,
•	Welcome Bay	12%,
•	Papamoa	15%,
•	Te Puke	10%, and
•	WBOP Rural	13%.

The following GAs are over represented in the crowding statistics:

- Te Puke makes up 10% of households living in crowded conditions ('crowded households'), while only accounting for 4% of total households across Tauranga and WBoP.
- Gate Pa accounts for 12% of crowded households, but only 7% of total households.

On the other side of this spectrum, is

- Mt Maunganui, which accounts for 7% of households across Tauranga and WBoP, but only 4% of crowded households.
- Pyes Pa, which accounts for 6% of total households, but only 3% of crowded households.
- Bethlehem, which accounts for 5% of households in the City, but only 2% of crowded households.

In terms of Māori households living in crowded houses, the **distribution across the GAs are uneven** and the relative concentration mirrors the above points, with high concentrations in the following GAs:

•	Otūmoetai	14%,
•	Gate Pa	13%,
•	Welcome Bay	14%,
•	Papamoa	14%, and
•	W/ROP Rural	17%

A large share of the crowded dwellings are in rural areas (WBoP), suggesting that crowding is not a purely an urban issue.

Ethnicity

Table A. 4 presents the distributions of ethnic groups for the usually resident population by general areas. This is based on the 2018 Census data. The following observations are relevant.

- Across all general areas, the dominant ethnic group is European (82%). The GAs with the highest proportion of people identifying as European are:
 - o Omokoroa (95%),
 - o Tauranga Growth Areas (91%),
 - o Mount Maunganui (89%), and
 - o Wairakei (88%).

The areas with the lowest proportion are:

- o Baypark-Kairua (43%),
- o Te Puke (62%), and

Page | 43





- o Gate Pa (68%).
- Baypark-Kairua has the highest proportion of people of people identifying as Māori (69%), while Omokoroa has the lowest proportion (8%).
- Tauranga GAs with noteworthy concentrations of Asian populations include:
 - o Tauranga Central (15%),
 - o Pyes Pa (14%),
 - o Gate Pa (12%), and
 - o Greeton (10%).

WBoP GAs with noteworthy concentrations of Asian populations include Te Puke and Katikati, 19% and 12% respectively.

• Gate Pa has the highest share of Pacific Peoples with 7%.

Table A. 4: Usually Resident Population Ethnic Group by General Area (Census 2018)

General Area	European	Māori	Pacific Peoples	Asian	MELAA ¹	Other Ethnicity	New Zealander	Other Ethnicity nec	Total
Otumoetai	85%	16%	2%	7%	1%	1%	1%	0%	100%
Bethlehem	86%	11%	1%	8%	0%	1%	1%	0%	100%
Tauranga Central	77%	11%	2%	15%	1%	1%	1%	0%	100%
Gate Pa	68%	27%	7%	12%	1%	1%	1%	0%	100%
Greerton	77%	22%	3%	10%	0%	1%	1%	0%	100%
Pyes Pa	80%	11%	2%	14%	1%	1%	1%	0%	100%
Welcome Bay	81%	22%	3%	6%	1%	1%	1%	0%	100%
Baypark-Kairua	43%	69%	3%	1%	1%	1%	1%	0%	100%
Mount Maunganui	89%	14%	2%	4%	2%	1%	1%	0%	100%
Papamoa	84%	19%	3%	6%	1%	1%	1%	0%	100%
Wairakei	88%	13%	3%	6%	1%	2%	1%	1%	100%
Katikati	79%	12%	6%	12%	0%	1%	1%	0%	100%
Omokoroa	95%	8%	1%	2%	0%	1%	1%	1%	100%
Te Puke	62%	26%	5%	19%	1%	1%	1%	0%	100%
Tauranga Growth Areas	91%	15%	1%	2%	0%	1%	1%	0%	100%
WBOP Rural	84%	21%	2%	3%	0%	1%	1%	0%	100%
Total	82%	18%	3%	7%	1%	1%	1%	0%	100%

¹Middle Eastern / Latin American / African

Age Groups

The distribution of usually resident population by broad age groups for GAs is presented in Table A. 5 below. Age groups distributions are based on Census 2018 data. The following key points have been observed.

- On average, across all general areas, the dominant age group is 30-64 years (44%). The GAs with the highest proportion of people aged 30-64 years are:
 - o Tauranga Growth Areas (51%),
 - o WBoP rural (48%), and
 - o Mount Maunganui (46%).

Page | 44





- Katikati has the highest proportion of people of people 65 years and over (39%), while Baypark-Kairua has the lowest proportion (12%). Tauranga GAs with large shares of people 65 years and over include:
 - o Bethlehem (32%), and
 - o Tauranga Central (32%).

WBoP GAs with large proportions of people 65 years and over are Katikati and Omokoroa, 39% and 36% respectively.

- People aged 15-29 years represent the smallest age group on average across all GAs (17%). Omokoroa has the smallest share (9%), while Te Puke has the largest share (22%).
- For people under 15 years, the largest shares are observed within:
 - o Wairakei (26%),
 - o Baypark-Kairua (24%),

Tauranga Central has the smallest concentration of young people (9%).

Table A. 5: Usually Resident Population Broad Age Group by General Area (Census 2018)

General Area	Under 15 years	15-29 years	30-64 years	65 years and over	Total
Otumoetai	21%	17%	44%	19%	100%
Bethlehem	17%	13%	39%	32%	100%
Tauranga Central	9%	18%	41%	32%	100%
Gate Pa	21%	21%	42%	16%	100%
Greerton	19%	21%	39%	21%	100%
Pyes Pa	21%	15%	43%	21%	100%
Welcome Bay	22%	17%	44%	17%	100%
Baypark-Kairua	24%	20%	45%	12%	100%
Mount Maunganui	16%	18%	46%	19%	100%
Papamoa	21%	16%	43%	20%	100%
Wairakei	26%	13%	41%	19%	100%
Katikati	16%	14%	32%	39%	100%
Omokoroa	16%	9%	39%	36%	100%
Te Puke	21%	22%	39%	18%	100%
Tauranga Growth Areas	20%	17%	51%	13%	100%
WBOP Rural	18%	15%	48%	19%	100%
Total	20%	17%	44%	20%	100%

Page | 45





Appendix 2: Employment Data (2022)

	Tau	ıranga	WBoP		
Industry	MECs	Distribution (%)	MECs	Distribution (%)	
Agriculture, Forestry and Fishing	2,770	3%	6,880	29%	
Mining	20	0%	40	0%	
Manufacturing	7,240	9%	1,830	8%	
Elect, Gas, Water and Waste Services	1,090	1%	30	0%	
Construction	9,930	12%	2,410	10%	
Wholesale Trade	3,870	5%	740	3%	
Retail Trade	9,470	12%	1,210	5%	
Accommodation and Food Services	5,050	6%	870	4%	
Transport, Postal and Warehousing	4,120	5%	560	2%	
Information Media & Telecomms.	670	1%	60	0%	
Financial and Insurance Services	1,560	2%	100	0%	
Rental, Hiring and Real Estate Services	2,030	2%	560	2%	
Profess, Sci and Technical Services	6,180	8%	1,520	6%	
Administrative and Support Services	4,350	5%	3,240	14%	
Public Administration and Safety	2,940	4%	90	0%	
Education and Training	5,600	7%	1,240	5%	
Health Care and Social Assistance	10,710	13%	1,180	5%	
Arts and Recreation Services	1,220	1%	200	1%	
Other Services	3,430	4%	770	3%	
Total	82,240	100%	23,560	100%	
Source: Calculations based on Statistics NZ data (Business Demography Survey and Linked-Employee Data)					

Page | 46

11.2 Draft Long Term Plan 2024-2034 - Memorial to Elizabeth Waterfront Recreation Connection \ Te Hononga ki Te Awanui

File Number: A14801550

Author: Kelvin Eden, Capital Programme Manager: Major Community Amenity

Authoriser: Gareth Wallis, General Manager: City Development & Partnerships

PURPOSE OF THE REPORT

1. The purpose of this report is to evaluate options and recommend a preferred option(s) for the provision of a recreation connection along the Tauranga Harbour waterfront between the city centre and Memorial Park.

RECOMMENDATIONS

That the Council:

- (a) Receives the report "Draft Long Term Plan 2024-2034 Memorial to Elizabeth Waterfront Recreation Connection \ Te Hononga ki Te Awanui ".
- (b) Approves delivery of Option C as an achievable short/medium-term outcome, acknowledging that it does not achieve the accessible linear connection along the shoreline but does however, improve public access at the road ends to the harbour edge.
- (c) Approves consultancy costs (see para 37 and 39) to progress the consenting, legal, planning and design work for short/medium-term Option C, the construction costs of which are currently included in the Draft Long-term Plan 2024-2034.
- (d) Approves consultancy costs (see para 37 and 39) to progress the consenting, legal, planning and design work for long-term Option B, with construction costs to be considered as part of deliberations for the following long-term plan.
- (e) Enter a Memorandum of Understanding with Mana Whenua.

EXECUTIVE SUMMARY

- 2. Three options have been short-listed and consulted on by the project team. These options have been modified in some respects, including in order to respond to direct landowner feedback. The updated versions of these options are summarised in the Options Analysis section, and in detail in **Attachment 1** Boffa Miskell Council Recommendations Report.
- 3. Option B provides a recreation connection against the coastline from Memorial Park to Elizabeth Street in the city centre, by incorporating reclamation, structural pathways and accessways, as well as sand deposition with an integrated pathway behind. Sand would need to be protected by several groyne structures, and these structures can be designed to accommodate recreational access and amenities.
- 4. Option B includes consolidation of riparian access, with improved small craft launching and docking facilities provided by jetty structures or groynes, and ensuring that existing coastal consents can be given effect to.
- 5. This option also includes improved access down some of the Avenues to Te Awanui Tauranga Harbour, and the development of 'nodes' on the coastal edge at the bottom of these improved Avenue links, providing improved recreational access and amenities.

- 6. Option C would see the delivery of some parts of the longer term Option B, including the development of 'nodes' on the coastal edge at the bottom of improved Avenue links, to provide for recreational access and amenities.
- 7. Option C also includes some sand deposition and replenishment, with the construction of groynes to entrap sand at the southern end of the project area between Sixth and Seventh Avenue, and at First Avenue.
- 8. Option C minimises some of the identified risks, notably those relating to riparian rights and consenting. It makes good use of existing public land, and provides some improved connection with the water, and increased recreational facility for public use.
- 9. It is recommended that Option C is progressed to developed design for landowner and public engagement, detailed design, resource consent and in turn, building consent. Noting that projects are staged and access to First Avenue, Second Avenue, and Fourth Avenue have been prioritised. Fifth Avenue East and existing access points shall be addressed should funding allow.

BACKGROUND

- 10. A coastal connection between Memorial Park and the city centre has been formally included in a variety of TCC strategy and policy documents since 2004, with several objectives being, in summary to:
 - provide a continuous city-cycle network;
 - connect people with the water/the coastal edge;
 - · provide greater uniformity of harbour edge;
 - contribute to public amenities offered in the city centre;
 - provide a safer cycle route into the city centre as an alternative to Devonport Rd; and
 - provide for safety and broad accessibility.
- 11. The coastal connection was gifted the name or ingoa "Te Hononga ki Te Awanui" by mana whenua representatives on 10 May 2022. In te reo Māori, the kupu or word *Hononga* holds the meaning of union, connection, relationship or bond. *Te Awanui* is the traditional name for the Tauranga Harbour. In gifting the name the representatives said "the essence of the journey from Taiparirua to Mareanui, the Matapihi Railway Bridge and the Waterfront is the connection with the harbour".
- 12. The ingoa *Te Awanui* in the project name is also a reference to the Te Awanui Waka, and the mana whenua aspiration to develop a Whare Waka and relocate the Te Awanui Waka to the waterfront.
- 13. Stage 1 of Te Hononga ki Te Awanui is underway. Stage 1 includes the construction of a railway underpass next to the Harbourside Restaurant (completed) and a new section of boardwalk that will join the underpass with the southern end of The Strand. This will link the waterfront boardwalk from The Strand through to Tunks Reserve at the eastern end of Elizabeth Street.
- 14. Stage 2 of Te Hononga ki Te Awanui, the subject of this report, is intended to provide an extended harbour-edge connection between Memorial Park and the city centre.
- 15. The location of the coastal connection and Stages 1 and 2 are shown in Figure 1 below.



Figure 1: Te Hononga ki Te Awanui - Stages Plan

STRATEGIC / STATUTORY CONTEXT

- 16. The preliminary assessment is that all options, despite relatively significant complexities and risk, can with appropriate design, engagement and mitigation, have acceptable environmental effects and be consistent with most national, regional, and local planning instruments.
- 17. The Te Papa Spatial Plan 2020-2050 Te Mahere ā-Takiwā o Te Papa (Spatial Plan) is the primary strategy and policy document that underpins current planning for the coastal connection.
- 18. Spatial Plan implementation includes a coastal pathway as part of the "Green necklace (7km walking and cycling route) implementation".
- 19. The Green necklace is shown in the Spatial Plan on the maps in Figure 2 below.

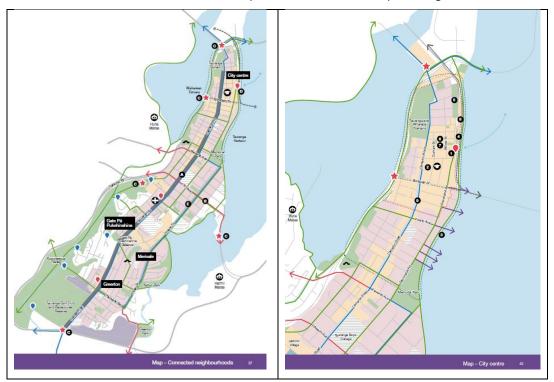


Figure 2: Te Papa Spatial Plan Maps

- 20. The Tauranga City Centre Action and Investment Plan affirms Council's vision for the city centre: 'Te Rapunga Ora ki Te Papa a great place to live, work, learn and play'. The coastal connection is identified on the City Centre Key Moves Plan. This document shows the broader intent to invest in this area, supporting intensification and befitting of a regional city centre.
- 21. Specific objectives for the coastal connection were confirmed at the Council Meeting on 25 July 2022. These are included the following, listed in descending order of priority:
 - **Tuatahi / First –** Supporting urban intensification in the city centre and broader Te Papa Peninsula by offering high amenity public spaces and recreation options.
 - Tuarua / Second Creating a high quality, legible, and accessible water's edge
 experience, and in doing so reconnecting the city centre to its waterfront heritage and
 landscape context.
 - Tuatoru / Third Providing a recreational connection that improves public enjoyment and accessibility to and along the harbour's edge.

OPTIONS ANALYSIS

22. A short list of options was developed through the consideration of the project objectives, key stakeholder engagement, and the evaluation of typology options as described in **Attachment 1** – Boffa Miskell Council Recommendations Report.

Option A - Reclamation

- 23. Option A includes reclamation with a pathway against the coastline extending along the City Fringe and Escarpment Link Zones, from Elizabeth Street to Fourth Avenue.
- 24. In the Residential Link Zone, from Fourth Avenue down to Memorial Park, Option A includes sand deposition with a formed pathway and hard surface behind. This would sit on either deposited sand or rock. The sand requires protection from scouring with several groyne structures, which would be designed to accommodate recreational access and amenities.
- 25. This option consolidates riparian access, with improved small craft launching and docking facilities provided by jetty structures or groynes, and also accommodates current coastal consents.
- 26. Option A integrates improved access to the Avenues and the development of 'nodes' on the coastal edge and on the foreshore, providing improved recreational access and amenities.
- 27. This option would provide all-abilities access along the length of the connection (in a north-to-south direction), as well as some steeper ramp/stepped access points to the Avenues (in an east-to-west direction).

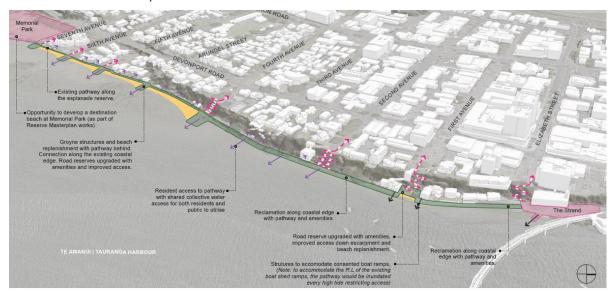


Figure 3: Option A

Option B - Piled structure and reclamation

- 28. This option includes reclamation with a pathway against the coastline extending along the City Fringe Zone from Elizabeth Street to First Avenue.
- 29. In the Escarpment Link Zone from First Avenue to Fourth Ave, the option comprises a piled structure providing access and recreation opportunities.
- 30. In the Residential Link Zone, from Fourth Avenue to Memorial Park, the option includes sand deposition with a formed pathway and hard surface behind. This would sit on either deposited sand or rock. The sand requires protection from scouring with several groyne structures, which would be designed to accommodate recreational access and amenities.
- 31. Option B also integrates improved access to the Avenues and the development of 'nodes' on the coastal edge, on the foreshore, providing improved recreational access and amenities.
- 32. This option would provide all abilities access along the length of the project (in a north-to-south direction), as well as some steeper ramped/stepped access points from the Avenues down to Te Awanui (in an east-to-west direction).

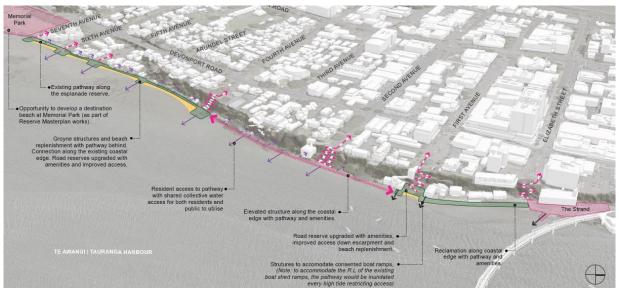


Figure 4: Option B

Option C - Limited intervention

- 33. This option includes limited intervention in the City Fringe and Escarpment Link Zones, from Elizabeth Street to about Fourth Avenue.
- 34. In this area, reconnection to the coast is made via development of the ends of the Avenues with access down to Te Awanui, the development of 'nodes' on the coastal edge and at the bottom of these Avenue links, improved recreational access and amenities.
- 35. This option will improve access and amenity for those walking to and along the foreshore at mid- to low-tide (in a north-to-south direction). This would not be suitable for all physical abilities.
- 36. The short/medium-term development of Option C does not restrict future opportunities to proceed with the delivery of Option A or Option B.

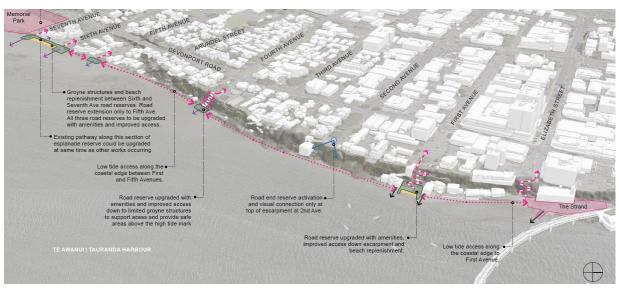


Figure 5: Option C

FINANCIAL CONSIDERATIONS

- 37. Preliminary construction cost estimates for the three options are outlined in Appendix 6 of the Boffa Miskell Council Recommendation Report and based on current information, are as follows:
 - Option A \$25,430,000.
 - Option B \$28,230,000 in addition, for the full delivery of Option B, it is recommended that a total of \$1.65m is set aside for concept design, developed design and engagement (\$1.4m), and legal fees (\$250k) to obtain agreement on riparian rights.
 - Option C \$6,000,000 in addition, for the full delivery of Option C, it is recommended that a total of \$585,000 is put aside for concept design and engagement (\$240k), detailed design and MSQA (\$240k), and preparation of resource consent and archaeological authority application (\$105k).

38. Cost assumptions:

- a. Construction cost estimates are high-level and based on programming options that are subject to developed and detailed design.
- b. Includes a 50% contingency to account for the uncertainty at this stage of the project.
- c. Estimates based on 2023 rates with no allowance for inflation.
- 39. Cashflow assumptions are outlined in the table below:

Financial year	Budget	Item	
FY24	\$940,000	Option C – Concept design and engagement costs Option B – Concept design and engagement costs	
FY25	\$1,295,000	Option C – Developed design, detailed design, engagement and consenting costs	
		Option B – Developed design, engagement, consenting and legal costs	
FY26	\$3,000,000	Option C – Construction	
FY27	\$3,000,000	Option C – Construction	

LEGAL IMPLICATIONS / RISKS

- 40. Sixteen properties along the coastal connection route have riparian rights, as shown within the appendices of **Attachment 1** Boffa Miskell Council Recommendations Report.
- 41. Michael Wood from Simpson Grierson holds the view that riparian rights are the rights of access to and from the navigable water across the site boundary. This is a right that owners of the properties that directly bounder Te Awanui enjoy, in order to exercise the right to navigate along that water.
- 42. Most property owners who hold riparian rights have informed the project team through engagement that they are opposed to the project. Their position is that their riparian rights mean that they are entitled to an entirely unobstructed harbour access along the full length of their harbour frontage, for current and potential future boat access, and therefore even a minimal structure would have the effect of infringing those rights.
- 43. The Tauranga Harbour Protection Society (THPS) consider that any alteration of their current use or interface with the harbour would constitute "managing riparian rights" and would not be lawful. The THPS view is that this is a "fatal flaw" for the project.
- 44. The THPS have suggested a joint application to the High Court for a declaratory judgement to provide certainty before proceeding further with the consent process. Possible alternatives to a High Court declaratory judgment include an agreed reference to expert determination, for example by a retired High Court judge or other expert, or mediation.
- 45. The project team think that this suggestion has merit and is recommended to proceed as a precursor to the resource consent process. Early determination would give all parties certainty about the viability of the project and address a critical project risk factor early in the process.
- 46. Legal Counsel for the TCC has initiated engagement with THPS on this process.

CONSULTATION / ENGAGEMENT

Mana Whenua

47. Modification of Te Awanui is generally opposed by iwi and hapu, and is a critical issue for all three options. In this case, the project is supported because of its restorative and public access focus. However, it will be important for mana whenua to continue to be closely involved in the project as the design and consenting process proceeds. A Memorandum of Understanding is proposed to ensure that expectations are clearly understood and met.

Landowners

- 48. Individual and group engagement has taken place with all affected property owners. Detailed consultation will occur as part of the next design stages.
- 49. The management of riparian rights and related coastal consent rights is a critical issue for all options, but most significantly for Options A and B. The response to this issue will be to include measures in the developed design to maintain and enhance small boat access such that this will not significantly impede riparian rights.
- 50. To bring early certainty to this issue, it is recommended that a High Court Declaratory Judgement or an alternative agreed process be used to test the acceptability of a preferred design.

SIGNIFICANCE AND ENGAGEMENT

51. The Local Government Act 2002 requires an assessment of the significance of matters, issues, proposals and decisions in this report against Council's Significance and Engagement Policy. Council acknowledges that in some instances a matter, issue, proposal or decision may have a high degree of importance to individuals, groups, or agencies affected by the report.

- 52. In making this assessment, consideration has been given to the likely impact, and likely consequences for:
 - (a) the current and future social, economic, environmental, or cultural well-being of the district or region;
 - (b) any persons who are likely to be particularly affected by, or interested in, the proposal; and
 - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
- 53. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the proposal is of medium significance.
- 54. Taking into consideration the above assessment, that the proposal is of medium significance, officers are of the opinion that the following consultation/engagement is suggested/required under the Local Government Act:
 - (a) A Memorandum of Understanding will be developed with Mana Whenua.
 - (b) Individual and group engagement has taken place with all affected property owners. Detailed consultation will occur as part of the next design stages.

Click here to view the TCC Significance and Engagement Policy

NEXT STEPS

- 55. Proceed with developed design, engagement and consenting for Option C, with a view to construction in FY26 and FY27.
- 56. In parallel, proceed with concept, developed design and engagement for Option B.
- 57. Proceed with application for a high court declaratory judgement or other decision process regarding riparian rights.
- 58. Develop a Memorandum of Understanding with Mana Whenua.

ATTACHMENTS

1. BM210881_July 2023_ Council Recommendations Report _20230811 - A14937450 (Separate Attachments 1)

11.3 Our Direction (Council's strategic framework) - adopt final action and investment plans and strategies

File Number: A14550992

Author: Anne Payne, Principal Strategic Advisor

Jeremy Boase, Manager: Strategy and Corporate Planning

Authoriser: Christine Jones, General Manager: Strategy, Growth & Governance

PURPOSE OF THE REPORT

1. To present for adoption eight new action and investment plans ("the plans") and two new strategies, which have been updated following consultation feedback; and to supersede and/or rescind existing strategies that are no longer needed. The Tauranga Climate Action and Investment Plan is reported separately to this Council meeting.

RECOMMENDATIONS

That the Council:

- (a) Receives the report "Our Direction (Council's strategic framework) adopt final action and investment plans and strategies", including Attachments 1 to 5 to this report.
- (b) Acknowledges and thanks Te Rangapū Mana Whenua o Tauranga Moana, particularly the appointed AIP representatives, for their valuable contribution to development of these plans and strategies.
- (c) Acknowledges and thanks the many other groups, organisations and individuals from our communities who have also provided valuable contributions to development of these plans and strategies.
- (d) Approves the eight *Action and Investment Plan consultation feedback and proposed response summaries, July 2023*, contained in Attachment 1, including the resultant proposed amendments to the draft plans.
- (e) Adopts the eight Tauranga City Council Action and Investment Plans contained in Attachment 2 (Appendices A to H), and notes that the eight adopted plans will be:
 - (i) Updated to reflect final 2024-2034 Long-term Plan funding once the Long-term Plan is adopted in April 2024, and
 - (ii) Available online as designed documents in early October 2023, with printed copies available on request.
- (f) Adopts Tauranga City Council's *Tauranga Mataraunui Inclusive City Strategy, 2023-2033*, contained in Attachment 3, noting the summary of final changes provided.
- (g) Adopts Tauranga City Council's *Tauranga Taurikura Environment Strategy*, 2023–2033, contained in Attachment 4, noting the summary of final changes provided.
- (h) Delegates the Group Manager: Strategy, Growth and Governance to approve minor amendments to the eight Action and Investment Plans and two strategies if required prior to publication.
- (i) Formally supersedes or rescinds the ten existing strategies or plans as proposed in section C of this report, and notes that partners to any superseded joint strategies or plans will be advised accordingly.
- (j) Notes that, subject to today's decisions, Tauranga City Council's strategic framework, Our Direction, has now been refreshed and is presented on Council's Our Future / Our Direction webpages. A summary of where strategies and plans fit is contained in Attachment 5 of this report.

EXECUTIVE SUMMARY

- 2. Work to refresh the council's strategic framework began in 2021, following community feedback about a lack of consolidated Council direction. Once the council's high-level direction was clarified and articulated in mid-2022, we began to develop nine new action and investment plans ('plans') to fill the remaining gaps in our framework.
- 3. The plans identify the prioritised actions and investment needed to deliver on the aspirations of Our Direction. We worked with a range of interested individuals, groups and organisations from the outset to develop the nine plans, including appointed representatives from Te Rangapū Mana Whenua o Tauranga Moana.
- 4. The most recent version of each plan was open for wider community consultation during May and June 2023, and amendments, as summarised in this report, have been made to the plans to incorporate feedback received. Ten existing strategies or plans will be superseded by the new plans once adopted.
- 5. Council's two new strategies, Tauranga Mataraunui Inclusive City Strategy and Tauranga Taurikura Environment Strategy, were retained in draft until the plans were completed, to ensure consistency across all levels of Our Direction framework.
- 6. It is proposed that Council adopts the eight plans and two strategies contained in this report and related attachments. The Tauranga Climate Action and Investment Plan is reported separately to this Council meeting. At the time of this report, most (but not all) Priority Actions in the plans have been included for funding in the 2024-2034 Long-term Plan.
- 7. Council's strategic framework is available online at: Our Future / Our Direction.

BACKGROUND

- 8. Council's strategic framework refresh commenced in 2021. The first phase of the project developed a shared vision for Tauranga and clarified Council's high-level direction, how it contributes to that vision. This included developing two new draft strategies, Tauranga Taurikura Environment Strategy and Tauranga Mataraunui Inclusive City Strategy, to fill gaps in our framework.
- 9. Since mid-2022, we have been working with interested people, groups and organisations from our communities to develop nine action and investment plans (plans) to fill the remaining gaps in our framework.
- 10. As a final step in developing our nine new plans, we consulted with our wider communities in May June 2023, primarily focusing on whether we had our actions and their relative priorities 'about right'. The consultation draft plans are available on the council's Let's Talk / Our Direction Project webpage, at: Our Direction Project.
- 11. We would like to acknowledge the significant contribution to this project from many staff across the organisation, and from many people, groups and organisations in our communities all of whom have provided valuable input along the way.
- 12. We would like to also acknowledge Te Rangapū Mana Whenua o Tauranga Moana for their significant contribution to this project, particularly during development of te kupenga (the visual representation of our strategic framework), our two new strategies, and all nine new plans. We particularly acknowledge and thank the Te Rangapū representatives appointed to each plan for their additional time and input during the development process.

A: SUMMARY OF ACTION AND INVESTMENT PLAN FEEDBACK AND PROPOSED RESPONSES

Summary of May to June 2023 wider community consultation

13. This final consultation focused primarily on the Climate, Safer Communities, and Community Centres Plans. The consultation comprised one in-person 'wise owls' session for each of these three plans, as well as an online survey that focused on the three plans, but also enabled feedback on the remaining six new plans.

- 14. We received 157 online survey responses and a number of separate written submissions across all plans, with many respondents commenting on more than one plan.
- 15. Overall, feedback received was largely positive and supported the plans. Many useful improvement suggestions were received, which have been incorporated into the final draft plans.
- 16. A summary of feedback received and proposed responses for each of the eight plans is provided as the separate **Attachment 1** to this report (<u>Attachment 1</u>: Consolidated Action and Investment Plan consultation feedback and proposed response summaries July 2023).
- 17. The table below provides the headline consultation feedback information for each plan, along with relevant page references from Attachment 1.

Action and Investment Plan	Page	Headline information
Accessible Tauranga	2	12 survey responses received, plus two written submissions/emails. Feedback identified a small number of concerns with the current document. The main concern was how older people are defined and ensuring that older people and the disability community are clearly defined as two separate groups. Other concerns around transport (roading projects and mobility parking) were also identified.
Safer Communities	5	30 survey responses received, plus 8 attendees at the inperson 'Wise Owls' engagement session. Feedback highlighted key concerns related to safety in Tauranga. Main areas of concern related to crime in the central city and other retail spaces, road safety and the design and maintenance of public spaces that can lead to unsafe behaviours.
Art, Culture and Heritage	10	4 survey responses received, plus one written submission/email. Feedback highlighted some minor concerns and potential gaps in the plan. Main areas of concern related to a lack of detail about community art, and about specific venues such as the Historic Village and Te Manawataki o Te Papa.
Our Public Places Strategic Plan (provides the direction for the three following plans)	12	10 survey responses received. Feedback was consistent with that for the other related plans with a key focus on maintenance of existing public places, protection/retention of open spaces, and affordability/value-for-money concerns.
Reserves and Open	15	14 survey responses received.

Action and Investment Plan	Page	Headline information
Space		Maintenance of our network of reserves and open spaces was the most common feedback received during the consultation.
Play, Active Recreation and Sport	18	27 survey responses received, including at least 13 from respondents associated with the roller sports/in-line skating community.
		Feedback was positive. Better acknowledging the importance of maintenance of our playful spaces was suggested and will be actioned. Other feedback tended to be comments about the things people would like to see, many of which were already included in the plan.
Community Centres	22	49 survey responses received (35 agreed with the actions, 7 agreed with some but not all actions, and 7 disagreed with the actions), plus two written submissions/emails, plus 8 attendees at the inperson 'Wise Owls' engagement session.
		Feedback was supportive, with comments tending to address specific matters rather than overall dissatisfaction with the draft plan.
		Maintenance and utilisation of existing facilities was the overwhelming theme identified.
Nature and Biodiversity	26	31 survey responses received, plus two written submissions/emails.
		Feedback was largely very supportive, with comments generally seeking more action than proposed or raising specific, localised matters to be addressed.

Final draft action and investment plans

- 18. The eight final draft plans reflect the proposed consultation responses, and are provided separately as **Attachment 2 (Appendices A to H)** to this report.
- 19. All consultation-related or substantive proposed changes are shown in **green text** within each AIP and are also clearly referenced in the summary of feedback, Attachment 1.
- 20. Each plan also includes several other updates that do not substantively change the direction or content of the plan. These updates are not specifically noted in our final draft documents but include changes such as adding a visual representation of our framework (te kupenga (a type of fishing net)), adding Te Reo Māori headings and definitions, completing the glossary sections, updating our measures where needed, and other minor text changes to improve clarity or readability.
- 21. The plans are being finalised at the same time as Council is developing the 2024-2034 Long-term Plan. We clarify the relationship between the two by describing our action and investment plans as our 'roadmaps to deliver on Council's strategic direction over time, which

- aren't able to all be funded all at once', while the Long-term Plan contains 'what we will fund from our action and investment plans during this time period'.
- 22. The current funding status, as at July 2023, is clearly noted within each final draft plan. The plans will be updated as required to reflect final funding decisions once the 2024-2034 Long-term Plan is adopted in April 2024.
- 23. It is proposed that Council adopt the eight plans, for which the Group Manager: Community Services will have responsibility to ensure implementation and delivery over time. As at the time of this report most (but not all) Priority Actions in these plans have been included for funding in the 2024-2034 Long-term Plan.

B: DRAFT TAURANGA CITY COUNCIL STRATEGIES

24. On 5 September 2022, Council resolved to hold the two new strategies in draft until the action and investment plans were completed. This was to enable any final amendments to ensure consistency across all levels of the framework, and to incorporate 2022 and subsequent consultation feedback as required. This process has now been completed.

Tauranga City Council's Tauranga Mataraunui – Inclusive City Strategy

- 25. No substantive amendments were required to this strategy. Minor wording updates have been made for clarification, readability, and consistency with the underpinning action and investment plans.
- 26. A summary of updates and the *Final Draft Tauranga Mataraunui Inclusive City Strategy* 2023-2033 is included in the separate **Attachment 3** to this report.
- 27. It is proposed that Council adopt the Tauranga Mataraunui Inclusive City Strategy 2023-2033, for which the Executive Team will jointly have responsibility for implementing and delivery over time.

Tauranga City Council's Tauranga Taurikura – Environment Strategy

- 28. No substantive amendments were required to this strategy. A Measures section has been added, building on the 'what success looks like' statements within each goal area. These measures will become part of the wider suite of city-wide measures and Council's key performance indicators currently being developed through the Long-term Plan and related processes. Minor wording updates have also been made for clarification, readability, and consistency with the underpinning action and investment plans.
- 29. A summary of updates and the *Final Draft Tauranga Taurikura Environment Strategy 2023-2033* is included in the separate **Attachment 4** to this report.
- 30. It is proposed that Council adopt the Tauranga Taurikura Environment Strategy 2023-2033, for which the Executive Team will jointly have responsibility for implementing and delivery over time.

C: EXISTING STRATEGIES AND PLANS TO BE SUPERSEDED AND/OR RESCINDED

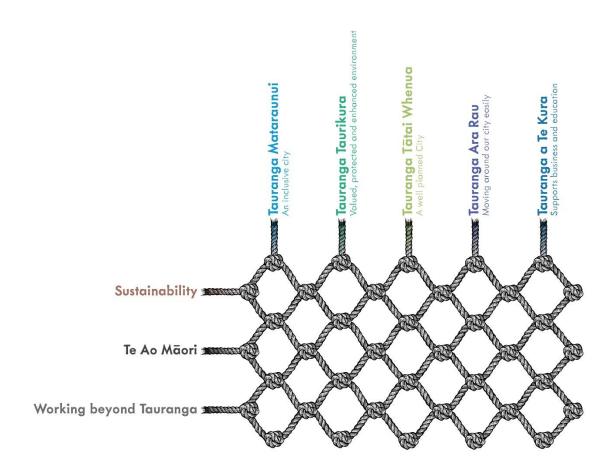
- 31. Once the new strategies and plans contained in this report are adopted, ten existing strategies and plans will have been replaced and can be rescinded or superseded.
- 32. While Tauranga City Council strategies and plans can be formally rescinded, joint strategies and plans can only be formally superseded as Tauranga City Council cannot unilaterally rescind them. It is proposed that all partners to joint strategies or plans that are superseded will be advised accordingly.
- 33. It is proposed that, subject to adopting the new strategies and plans contained in this report, Council formally rescinds or supersedes the ten existing strategies and plans as outlined in the table below:

Existing strategies and plans	Supersede or Rescind	Replaced by				
Tauranga Mataraunui (an inclusive cit	y)					
Age-Friendly Strategy 2013	Rescind	Accessible Tauranga Action &				
Disability Strategy 2013	Rescind	Investment Plan				
Tauranga Western Bay Safer Communities Strategic Plan 2020- 2025 (joint: TCC & WBOPDC)	Supersede	Safer Communities Action & Investment Plan 2023-2033				
City Safety Action Plan 2018	Rescind					
Toi Moana Arts & Culture Strategy 2018-2021 (joint: TCC & Creative BoP)	Supersede	Art, Culture and Heritage Action & Investment Plan				
Tauranga Taurikura (we value, protect and enhance our environment)						
Vegetation Management Strategy (Growing Tauranga Green) 2006	Rescind	Nature and Biodiversity Action & Investment Plan				
Tauranga – Tātai Whenua (a well-planned city)						
Aquatic Network Strategy 2012	Rescind	Our Public Places Strategic Plan				
Open Space Strategy 2012	Rescind	 Play, Active Recreation and Sport Action & Investment Plan 				
Our Community Places Strategy 2008	Rescind	Reserves and Open Space Action & Investment Plan				
Sport & Active Living Strategy 2006	Rescind	Community Centres Action & Investment Plan				

34. Subject to today's decisions, Tauranga City Council's strategic framework, *Our Direction*, has now been refreshed and is presented on Council's <u>Our Future / Our Direction</u> webpages. A summary of where strategies and plans fit is contained in **Attachment 5** of this report.

STRATEGIC / STATUTORY CONTEXT

- 35. The vision for Tauranga is 'Tauranga together we can prioritise nature, lift each other up, and fuel possibility'. Council's contribution to achieving the vision is articulated by our strategic framework, called Our Direction.
- 36. Our Direction comprises Council's five community outcomes (what we are aiming to achieve for our communities, now and in the future) with our three approaches (how we do everything). Our Direction is visually represented by te kupenga (a type of fishing net):



- 37. All of Council's strategies and plans, and the work programmes to deliver them, contribute to delivering Our Direction for our communities.
- 38. The strategies and plans proposed for adoption within this report will fill the final gaps in Our Direction framework, which is available online at: https://www.tauranga.govt.nz/our-future/our-direction.

FINANCIAL CONSIDERATIONS

- 39. Most, but not all, Priority Actions are proposed to be fully or partially funded in the working draft 2024-2034 Long-term Plan, as at July 2023.
- 40. The funding status of each action within the nine new action and investment plans (including the Tauranga Climate Plan, reported separately to this Council meeting) is clearly identified within the action tables of each plan.
- 41. The action and investment plans will be reviewed in the year prior to development of each long-term plan, to ensure they appropriately inform its development.

LEGAL IMPLICATIONS / RISKS

- 42. The primary risk is that the council may not be able to fund the actions identified in the plans and strategies over time and, as a result, may not be able to deliver on its aspirations articulated within Our Direction.
- 43. The council will apply its limited resources in the most efficient and effective way, and will also work with others to support delivery on its longer-term Our Direction aspirations.

SIGNIFICANCE

44. The Local Government Act 2002 requires an assessment of the significance of matters, issues, proposals and decisions in this report against Council's Significance and Engagement Policy. Council acknowledges that in some instances a matter, issue, proposal

- or decision may have a high degree of importance to individuals, groups, or agencies affected by the report.
- 45. In making this assessment, consideration has been given to the likely impact, and likely consequences for:
 - (a) the current and future social, economic, environmental, or cultural well-being of the district or region
 - (b) any persons who are likely to be particularly affected by, or interested in, the issue of Council's strategies and plans.
 - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
- 46. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the issue of Council's strategies and plans is of high significance, however the decisions proposed in this report, adopting the final strategies and plans, is of low significance as it is a natural consequence of previous decisions.

ENGAGEMENT

47. Taking into consideration the long period of extensive engagement with interested groups, organisations and individuals in our communities, as well as our wider communities as a whole, and the above assessment, that the decision is of low significance, officers are of the opinion that no further engagement is required prior to Council making a decision.

NEXT STEPS

- 48. The adopted action and investment plans and strategies will be available on the council's website as soon as possible. The current versions will be replaced by designed documents by early October 2023, and will also be available in hardcopy on request.
- 49. The Strategy, Finance and Risk Committee will receive a project close-out report on 18 September. The report will update on work planned and underway to embed Our Direction into the organisation and to monitor, report on and review progress over time.

ATTACHMENTS

- 1. Consolidated Action and Investment Plan consultation feedback and proposed response summaries July 2023 A14931884 (Separate Attachments 1)
- 2. Appendices A to H Final Draft Action and Investment Plans, August 2023 A14932998 (Separate Attachments 1)
- 3. Tauranga Mataraunui Inclusive City Strategy, 2023-2033 A14931811 (Separate Attachments 1)
- 4. Tauranga Taurikura Environment Strategy, 2023-2033 A14931772 (Separate Attachments 1)
- 5. Where our strategies and plans fit 21 Aug 2023 A14925103 J

Our Direction framework - where strategies & plans fit as at: 21 August 2023 TIER 1: Vision for Tauranga Tauranga, together we can endorsed and adopted 13 June 2022 prioritise nature, lift each other up, fuel possibility TIER 2: Council's Council's approaches to: Te Ao Māori, Sustainability, and Working beyond Tauranga approaches and community outcomes Tauranga Mataraunu Tauranga - Tātai Whenua Tauranga a te kura including a summary of An inclusive city A city that values, protects and A well planned city A city that supports business and A city we can move around easily Council's strategic direction for education enhances our environment each outcome and approach Tauranga is a city that celebrates our Tauranga is a city that is well planned Tauranga is a well-connected city, Tauranga is a city that attracts and Tauranga is a city that values our supports a range of business and edicuational opportunities, creating past, is connected in our present and with a variety of successful and thriving easy to move around in and with a compact centres, resilient infrastructure, lifestyle, and actively works to protect and enhance it. range of sustainable transport invested in our future. Where people of all ages, beliefs, abilities and jobs and a skilled workforce. choices. backgrounds are included and feel safe, connected and healthy. **TIER 3: Primary Strategies** Connected Centres Programme, 2020 **Connected Centres Programme,** ONE for each outcome - Inclusive City Strategy 2020 - transport & movement focus 2021 **Environment Strategy** urban development focus Joint or TCC. Intended to (UFTI, joint strategy) (UFTI, joint strategy) (PriorityOne, joint strategy) cover whole outcome. TIER 3: Holistic Strategies & SmartGrowth Strategy 2023 - under development (SmartGrowth, Joint W/BOP sub-regional) Plans (high-level, contribute to all Tauranga Moana lwi Management Plan 2016-2026 (lwi document, Tauranga Moana) outcomes) TIER 4: Action & Investment This level of the framework contains a number of specific action and investment plans (AIPs) which are our roadmaps to deliver the strategies Plans (AIPs) Each AIP will contribute to more than one community outcome, but for simplicity is shown under the outcome it primarily contributes to Identify how our strategies will best be delivered (specify: AIPs include place-based plans (e.g. City Centre Plan, and all spatial plans) as well as topic-based plans (e.g. Safe City Plan) priorities, responsibilities, scale, AIPs may be TCC plans or joint plans, and may have a different title, e.g. 'xyz strategy or strategic plan' - but all belong in this tier of our framework cost) AIPS ONLY INCLUDE ACTIONS TO 'MOVE FORWARD' - DO NOT INCLUDE OPERATIONAL DELIVERY Actions within AIPs are mainly actions that will require signficiant investment in future Long-term Plan Kaituna Action Plan - Te Tini a Tuna City Centre Action & Investment Plan TIER 4: Place-based AIPs Historic Village Strategic Plan 2020 2019-2029 (incl spatial plans) 2022-2032 Wairoa River Valley Strategy 2013, Te Papa (Peninsula) Spatial Plan 2020-Vision to 2055 (joint, review scheduled for 2025/6) Otumoetai Spatial Plan 2022-2050 Tauranga Harbour Integrated (NEW - adopted 1 May 2023) Management Strategy 2006 (joint, BOPRC-led) Mount Spatial Plan 2022-2050 Tauranga Harbour Recreation UNDER DEVELOPMENT from late 2022 Strategy 2008 (joint, BOPRC-led) TIER 4: Topic-based AIPs Tauranga Climate Action & Priority One Business Plan - Regional Accessible Tauranga Action & Our Public Places Strategic **Western Bay Transport** Growth Agenda (joint, P1-led) Investment Plan 2023-2033 Investment Plan 2023-2033 System Plan 2021 (TSP) Plan - He tauranga tangata (NEW - adopted 21 Aug 2023) (NEW - adopted 21 Aug 2023) (joint, sub-regional) 2023-2033 (Report 3 - Transport Operating (NEW - adopted 21 Aug 2023) WBOP International Strategy 2023-Welcoming Communities WBOP Plan Nature and Biodiversity Action & 2025 (joint, P1-led) 2018-2023 (joint) Investment Plan 2023-2033 Community Centres Action & BOP Regional Public Transport (NEW - adopted 21 Aug 2023) Investment Plan - He pa tangata Plan 2022-2032 (joint, BOPRC-Tourism BOP Visitor Economy 2023-2033 Safer Communities Action & led) Strategy 2018-2028 (joint, TBOP-led) (NEW - adopted 21 Aug 2023) Investment Plan 2023-2033 Waste Management & Minimisation (NEW - adopted 21 Aug 2023) Plan 2022-2028 Regional Land Transport Plan (adopted August 2022) Play, Active Recreation and Sport Te Ha Tapoi - Tourism Strategy 2021-2031 (joint, BOPRC-led) Action & Investment Plan 2023-2019-2022 (joint, TBOP-led) SmartGrowth Housing Action Plan 2021 (joint, sub-regional) Stormwater Strategy 2024-2054 (NEW - adopted 21 Aug 2023) Tauranga Parking Strategy 2021 (in DRAFT, potential 3-Waters impact) management plans) Reserves amd Open Space Action Kainga Tupu - WBOP Homelessness (may supersede Stormwater Strategy 2020 (joint) Strategy for the BOP 2005 (tbc)) (NEW - adopted 21 Aug 2023) Tauranga Airport Masterplan 2010 -2030 **BOP Spaces & Places Strategy** Community Wellbeing Action & Investment Plan 2018-2021 2021-2023 (joint, Sport BOP-led, regional (future review planned) Art. Culture and Heritage Action & Urban Design Action & Investment Plan Investment Plan 2023-2033 (NEW - adopted 21 Aug 2023) **UNDER DEVELOPMENT from late 2022** (will review and incorporate aspects of the Urban Design Strategy 2006, and be consistent with the Urban Design Panel) Tauranga Events Action & Investment Plan 2022 Water Sustainability Strategy WBOP sub-region 2010 (BOPRC Strategy, subregional) Water Supply Strategy 2024-2054 Wastewater Strategy 2024-2054 (in DRAFT, potential 3-Waters impact)

Item 11.3 - Attachment 5

11.4 Tauranga Climate Action and Investment Plan - adoption

File Number: A14921330

Author: Sarah Searle, Principal Strategic Advisor

Jeremy Boase, Manager: Strategy and Corporate Planning

Authoriser: Christine Jones, General Manager: Strategy, Growth & Governance

PURPOSE OF THE REPORT

1. To present for adoption the Tauranga Climate Action and Investment Plan ("the Plan") which has been updated following consultation feedback.

RECOMMENDATIONS

That the Council:

- (a) Receives the report "Tauranga Climate Action and Investment Plan adoption" including attachments 1 and 2.
- (b) Acknowledges and thanks Te Rangapū Mana Whenua o Tauranga Moana for their valuable contribution to development of the Plan.
- (c) Acknowledges and thanks the many other groups, organisations and individuals from our communities who have also provided valuable contributions to development of the Plan.
- (d) Approves the Action and Investment Plan consultation feedback and proposed response summary, July 2023, contained in **Attachment 1**, including the resultant proposed amendments to the Plan.
- (e) Approves the updated goal around mitigation as set out in this report.
- (f) Adopts the Tauranga Climate Action and Investment Plan, 2023-2033, contained in **Attachment 2**, and notes that the adopted Plan will be:
 - (i) Updated to reflect final 2024-2034 Long-term Plan funding once the Long-term Plan is adopted in April 2024, and
 - (ii) Available online as a designed document in early October 2023, with printed copies available on request
- (g) Delegates the Group Manager: Strategy, Growth and Governance to approve minor amendments to the Plan if required prior to publication

EXECUTIVE SUMMARY

- 2. Work on Tauranga's first Climate Action and Investment Plan began in 2021. This followed both Council and community feedback around a lack of consolidated Council strategy addressing climate change and/or sustainability.
- 3. Development of the Plan has progressed in line with the Our Direction (strategic framework refresh) project outlined in the separate report to this Council meeting titled "Our Direction (Council's strategic framework) adopt final action and investment plans and strategies".
- 4. Although the Plan has been developed by Council it sets out goals and actions on a city-wide basis and some actions are owned or jointly owned by other parties (such as Bay of Plenty Regional Council and Priority One).

- 5. The most recent version of the Plan was open for community consultation during May and June 2023 and amendments, as summarised in this report, have been made to the Plan to incorporate feedback received. This includes reducing the length and level of technical information in the Plan.
- 6. Input is sought from Council in relation to the goal around mitigation as set out below.
- 7. It is proposed that Council adopt the Plan, which the Group Manager: Infrastructure will have responsibility for implementing and delivering over time. As at the time of this report most (but not all) Priority Actions in the Plan had been included for funding in the 2024 Long Term Plan.

BACKGROUND

Summary of May to June 2023 action and investment plan consultation

- 8. Feedback on the Plan comprised 32 responses from an online survey, one in-person "Wise Owl") session with nine participants and an additional five written submissions from organisations.
- 9. The analysis of feedback also included a separate paper prepared by the Tauranga Carbon Reduction Group ("CRG") on reducing Carbon Emissions in Tauranga (received 14 June 2023).
- 10. Feedback themes included -
 - (a) Mixed views on the need for the Plan and overarching level of ambition
 - (b) Dissatisfaction with the amended mitigation goal
 - (c) The importance of incorporating a Māori worldview and decision making with mana whenua
 - (d) The importance of collaboration (especially with other Councils)
 - (e) Prioritisation of transport and urban development
 - (f) Exploration of funding and financing approaches for the Plan
 - (g) Sustainable / green buildings (both residential and commercial)
- 11. A more detailed overview of feedback and responses is included in Attachment 1.

Amendments made to the Plan

- 12. To address feedback received some parts of the Plan have been amended. These include -
 - (a) Proposed amendment to mitigation goal see Issues and Options below

Wording / context

- (b) Additional wording around exploration of funding sources
- (c) Explanation of rail, ferry, light rail where and how these have previously been considered (many submitters were interested in these)

Additional actions / actions amended

- (d) New advocacy action
- (e) New actions about exploring options around incentivising sustainable buildings
- (f) New business actions owned by Priority One (around alternative transport modes, waste, Regional Energy Transition Accelerator, events)
- (g) Extension of support to Mana Kai Mana Ora (WBoP Food Sovereignty & Food Security Plan) to explore other actions to encourage/educate around growing food and funding sources

- Incorporation of climate change into job roles and descriptions amended to upskilling staff more broadly around climate change (in line with Council's Sustainability Approach)
- (i) Extension of consideration of Nature Based Solutions i.e. using open spaces, wetlands and plantings to help mitigate and adapt to the effects of climate change
- 13. Outside of the feedback process, additional amendments have also been made to the Plan including
 - (a) Edited to reduce length and improve clarity and readability
 - (b) Rewriting of actions to simplify (in accordance with community "Wise Owl" session feedback)
 - (c) Measures of Success long-list refined to what is measurable and most relevant
 - (d) Estimated costs within action tables updated to reflect current (July 2023) working draft 2024-2034 LTP funding
 - (e) Te Reo Māori headings and explanations added throughout the document.
 - (f) Glossary appendices completed

STRATEGIC / STATUTORY CONTEXT

- 14. The Plan helps to progress our city vision and community outcomes. Council's updated strategic framework Our Direction is outlined in the separate report to today's meeting titled "Our Direction (Council's strategic framework) adopt final action and investment plans and strategies".
- 15. The Plan helps to achieve Tauranga Taurikura a city that values, protects and enhances our environment but is also connected to almost every other Council strategy and plan given the breadth of focus areas (leadership, transport, land use and built environment, communities, business, natural environment).

OPTIONS ANALYSIS

Mitigation goal

- 16. The Plan contains two overarching goals. The second of these, focussed on mitigation of Tauranga's emissions, was modified following feedback by the SFR Committee on 27 March 2023 that the original goal of a net zero commitment would not be feasible due to the constraints Tauranga faces (such as rapid growth, emissions from the Port and physical constraints around how/where we can develop housing and transport infrastructure). There was concern that we did not want to set an overly ambitious / unachievable goal.
- 17. For version 4 of the Plan (which went out for the most recent round of consultation) the goal was amended as set out below. As noted in the feedback summary, multiple submitters were unhappy with the "watered down" new goal. Options and analysis around the goal are presented below.

Option one: Keep the amended (v4) goal

18. "As a City, and in partnership with our regional and national partners, we will work to reduce our greenhouse gas emissions while recognising the local practical realities of achieving a science-based target and national net-zero commitments".

	Advantages	Disadvantages		
 Has already been consulted on Incorporates feedback from previous briefings Is realistic and takes into account Less concise A number of submitters did not like the wording Less ambitious 	briefings	wording		

Item 11.4 Page 145

constraints / challenges	Less aligned to approach by other NZ cities

Option two: Revert to previous goal

20. "As a City, we will reduce our greenhouse gas emissions in line with a science based target and national net zero 2050 commitments."

Advantages	Disadvantages		
 Clearer More aligned with national approach Preferred by some submitters 	 Does not take into account local constraints Net zero 2050 commitment may be unachievable 		

Option three: Adopt an alternative goal (recommended)

- 22. A hybrid version of the goal could balance the original goal with the amended version and feedback obtained.
- 23. For example Option 3a "As a City, we will **work towards reducing** our greenhouse gas emissions in line with a science-based target and national net zero 2050 commitments"

Advantages	Disadvantages		
 More concise than v4 goal "Working towards" is more achievable than aiming to meet a specific target More in line with approach taken by other Councils 	 Could be misleading if we don't have an agreed upon target Does not caveat local constraints Has not been consulted on 		

Or – Option 3b – "As a City, we will reduce our greenhouse gas emissions" (recommended)

Advantages	Disadvantages		
 More concise than v4 goal In line with the other (adaptation) goal in the Plan which is fairly high level Does not bind us to anything unachievable but is still an aspiration / improvement on current state 	 Does not address feedback around lack of targets Has not been consulted on Does not set level of ambition 		

FINANCIAL CONSIDERATIONS

- 24. Most, but not all, Priority Actions are proposed to be fully or partially funded in the working draft 2024-2034 Long-term Plan, as at July 2023. The funding status of each action is clearly identified within the action tables of the Plan.
- 25. The action and investment plans will be reviewed in the year prior to development of each long-term plan, to ensure they appropriately inform its development.

LEGAL IMPLICATIONS / RISKS

- 26. The primary risk is that the council may not be able to fund the actions identified in the Plan over time and, as a result, may not be able to deliver on its aspirations articulated within Our Direction.
- 27. Council will apply its limited resources in the most efficient and effective way and will also work with others to support delivery on its longer-term Our Direction aspirations and climate commitments.

Item 11.4 Page 146

28. The Plan also contains an action around alignment of climate change risks with the rollout of Council's Risk Management Framework.

CONSULTATION / ENGAGEMENT

29. Taking into consideration the long period of extensive engagement with interested groups, organisations and individuals in our communities, as well as our wider communities as a whole, and the assessment below that the decision is of medium significance, officers are of the opinion that no further engagement is required prior to Council making a decision.

SIGNIFICANCE

- 30. The Local Government Act 2002 requires an assessment of the significance of matters, issues, proposals and decisions in this report against Council's Significance and Engagement Policy. Council acknowledges that in some instances a matter, issue, proposal or decision may have a high degree of importance to individuals, groups, or agencies affected by the report.
- 31. In making this assessment, consideration has been given to the likely impact, and likely consequences for:
 - (a) the current and future social, economic, environmental, or cultural well-being of the district or region
 - (b) any persons who are likely to be particularly affected by, or interested in, the Plan.
 - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
- 32. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the issue of the Plan is of high significance, however the decision proposed in this report, adopting the final version, is of medium significance as it is a follow on from previous Council decisions.

NEXT STEPS

- 33. The adopted action and investment plans and strategies (including the Climate Plan) will be available on the council's website as soon as possible. The current version will be replaced by a designed document by early October 2023 and will also be available in hardcopy on request.
- 34. The Strategy, Finance and Risk Committee will receive a project close-out report on 18 September. The report will update on work planned and underway to embed Our Direction into the organisation and to monitor, report on and review progress over time

ATTACHMENTS

- 1. Community Feedback on Tauranga Climate AIP (for Council report 21 Aug) A14930222 J
- 2. Tauranga Climate Action and Investment Plan Final draft August 2023 A14930226 🗓

Item 11.4 Page 147

Community Feedback on Tauranga Climate AIP - May-June 2023

- Total survey responses 32
- Wise Owl Session Participants 9
- Submissions / direct feedback 7

The table below captures key feedback by theme / quantity and <u>not every piece of feedback due to length</u>. A comprehensive summary of all feedback has been compiled separately. The feedback summary also includes analysis of a separate paper prepared by the Tauranga Carbon Reduction Group ("CRG") on reducing Carbon Emissions in Tauranga (received 14 June 2023).

BLUE action numbers reflect updated numbering in the final draft.

Issue	No. of	Detail of comments	Change to AIP?
	comments		
Overarching Commen	ts		
Need for / level of ambition through plan	12 (survey) 2 (Wise Owl) 5 (submissions)	 Feedback was mixed around the need for the plan and level of ambition Some survey comments challenged the need for the plan, validity of climate change and/or Council's role All submissions commended the plan and most encouraged a higher degree of urgency / ambition. Some of these comments were tied to the overall goal / target(s) (discussed below) 	No Note comments re overarching mitigation goal
Amondment of real	Submissions	Some also encouraged a stronger focus on mitigation (i.e. reducing emissions) as opposed to adaptation and the need to develop further targets Dispeting this provides to see	
Amendment of goal / target	Submissions – Sustainable BOP, CRG	 Dissatisfaction with amends to goal Targets need to be science based and measurable 	Page 2 Pending confirmation by Council 21 August
Incorporation of Māori worldview,	5 (survey) Submission (Toi Te Ora)	- Important to prioritise and integrate	No Already captured through Anga Whakahaere (framework) in the AIP and involvement of Te

decision making with mana whenua			Rangapu (ensure this is continued post adoption and implementation of the AIP)
Equity	Submission (Toi Te Ora)	Climate change has the potential to worsen existing health and social inequities for Māori, Pacific and low socioeconomic groups While climate mitigation policies have the potential to create health and equity gains, this needs to be deliberate	No Actions in the AIP (for example under People & Communities) already focus on protection of more vulnerable groups See above re mana whenua / Te Rangapu involement
Growth	2 (survey) Submission – Sustainable BOP	 Growth should not be used as an excuse for failing to reduce carbon emissions Unsustainable growth agenda 	No Addressed through actions for example under Land Use and Built Environment Approaches such as UFTI and SmartGrowth are outside the scope of the AIP review
Collaboration	2 (survey) Submissions - Property Council, Toi Te Ora	 Collaborate with other Councils to ensure consistency of approach Partner with BOPRC on a governance as well as staff level The importance of a 'whole of system' approach (public, private and charitable sectors) 	No Already considered in draft AIP. Several actions are jointly owned by TCC and others. We will consider developing future iterations of the AIP in collaboration with WBoPDC and BoPRC
Prioritisation of transport + urban development	12 (survey) Submission – Sustainable BOP	 Transport is the biggest source of emissions so must be prioritised / addressed first "Tauranga needs to leverage off 'big 5' city status to invest more into public transport infrastructure and transform our transport system and urban development model" A number of survey comments focussed on the need to build better roads 	No Already considered / included in current draft UFTI / TSP outside parameters of review
Funding	Submission – Property Council	 Recommend development of viable, alternative approaches to funding and financing [the AIP] Work closely with central government to unlock joint funding for the proposed climate actions Use of transparent, beneficiary pays alternative funding models such as targeted rates, user-pays systems and Special Purpose Vehicles (SPVs) 	Page 12 Wording added re exploring alternative approaches to funding and financing. Funding status updated from 2021 to 2024 (draft) LTP

		 Separately – clarification that "funding" in draft AIP relates to 2021 LTP 	
Advocacy	Submissions – Toi Te Ora, CRG	 "The plan highlights Council has limited direct influence over some interventions however Is in a strong position to advocate for and influence positive change" 	Page 16 Additional action re Advocacy drafted in alignment with action in Safer Communities AIP
Leadership			
Inclusion of climate change in all key decisions (Action G3) (4)	Survey (2) Submissions Sustainable BOP, Toi Te Ora, CRG	 High priority Should influence all strategies, policies and plans 	No Already covered by actions Measure of Success drafted in alignment with Sustainability Approach - % of projects over \$1M that consider climate change impacts in Project Charter
Measurement of embodied carbon for new capital investment (G7); (G10) (6, 9)	Wise Owl, internal feedback	 Suggested penalties for use of high carbon embodied materials in construction Re wording for clarity 	Page 15 Minor wording amendments for clarity Action G10 also amended to remove "for existing assets" [Note that we would not penalise as this refers to TCC assets so we would be penalising ourselves]
Incorporation of climate change into job/role descriptions (G15) (Deleted)	Internal feedback	 Feedback from Sustainability & Waste team, following discussions with HR in relation to Sustainability Approach, is that this is not feasible/very impractical 	Page 15 ACTION REMOVED Upskilling of staff will take place through rollout of Sustainability Approach
Inclusion of climate change in risk register, climate risk register (G4,G5) (5)	Wise Owl, Internal feedback	 Suggested should be higher priority (Wise Owl) Lack of clarity re what "Climate Risk Register" is 	Page 15 G4 – action amended following discussion with Risk [climate risks to be incorporated in roll-out of risk management framework with a view to amendments to the framework as appropriate] Prioritisation increased as does not require additional funding. G5 – ACTION DELETED as covered already by G4, G11 (1,5)
Use of Bay Venues to showcase climate	Wise Owl	- Supported, should be higher priority	No

change/sustainability				Already being driven by Bay Venues (business as
(G18) (14)				usual), not a higher priority for additional funding
Procurement	Survey (2)	-	A lot of interest in sustainable procurement practices	No
	Wise Owl	-	"TCC's procurement approach needs to indicate that over	Covered by Sustainability Approach, increased focus
	Submissions –		time all providers of services to Council will be expected to	on Broader Outcomes toolkit
	Toi Te Ora,		have a Carbon Reduction Plan which they are actively	Page 33
	Property		implementing"	Measure of Success - Total value of contracts using
	Council, CRG			Broader Outcomes targets in procurement
Travel				
Transport System	Survey (2)	-	Recommend prioritisation of Park and Ride options	No
Operating	Submission –			T2 is already a priority action and investigation into
Framework (TSOF)	Toi Te Ora			Park and Ride facilities is already underway (update
(T2) (19)				provided by Transport Development team)
Assessment of road	Wise Owl	-	Public feedback both for and against road charging	No
charging system (T2)	Survey (3),	-	Strong feedback that need a viable alternative in place first	Does not alter the action to assess whether this is
(19)	Submissions –	-	Toi Te Ora – also recommend implementing deterrents for	viable (including consideration of variable road
	Sustainable		single commuter vehicle trips	pricing)
	BOP, Toi Te	-	Property Council – robust engagement with private sector	
	Ora, Property		needed before any decision	
	Council, CRG	-	Need to consider equity issues	
		-	CRG — "Urgently complete …plan for a rapid transit style	
			public transport system before launching Dynamic Road	
			Pricing (DRP) as a mechanism for reducing city congestion.	
			Any road pricing income should be used to fund a viable,	
			attractive, low carbon public transport system and a safe,	
			functional cycleway network"	
		-	Prioritise road charging for heavy vehicles	
EV charging	Survey (4)	-	Mixed feedback	No
infrastructure plan	Submissions –	-	Toi Te Ora - Supported but not at expense of funding	Does not change action to support this plan
(T3) (20)	Toi Te Ora,		infrastructure for active/public transport	
	Property	-	CRG – needs to be high priority	
	Council, CRG			

Alternative modes of	Survey (9),	-	Strong interest from a number of submitters re the	Page 19
public transport	Wise Owl,		possibility of regional passenger rail	T7 (25) -Action re-worded for clarity
(including rail) (T7)	Submission –	-	Also interest in ferry	Further context provided to address rail/ferry [per
(25)	Toi Te Ora			UFTI + previous LTP responses]
Public transport to	Survey (3)	-	Support – should be higher priority	No
all Council/Bay	Submission –			Largely under BOPRC control. BOPRC PT Service and
Venues including	Toi Te Ora			Infrastructure Business Case is currently considering
Trust Park				this (where future bus stops and services need to go)
Marine freight	Submission –	-	Toi Te Ora Ora recommend collaboration with the Bay of	No
	Toi Te Ora		Plenty Regional Council, Port of Tauranga and Maritime	Majority outside of our influence/control i.e.
			New Zealand locally to identify and develop actions [and]	approach to marine freight emissions is set at a
			options to reduce this sector's contribution to greenhouse	national/global level; road transport to and from the
			gas emissions	port is already covered by existing transport planning
Targets	Survey (1),	-	Incorporation of transport emissions reductions targets	No
	Submission –	-	Targets of first Emissions Reduction Plan	UFTI and TSP have already factored in emissions
	Toi Te Ora			reductions targets to their modelling etc
Bike paths	Survey (7)	-	Feedback for and against	No
		-	Increasing safety and connectivity of bike paths	Already addressed / outside scope
Bus routes	Survey (5)	-	Buses need improvement	No
		-	Extend free bus transport	Already addressed / outside scope
		-	Be more specific re electrification of fleet	
Roads	Survey (14)	-	Improve roading and congestion issues	No
		-	Dissatisfaction with Cameron Road	Already addressed / outside scope
Land Use and Built En		,		
Sustainable buildings	Survey (4)	-	Guidelines re low carbon and resilient developments –	Page 22
(Outcome, L2, other)	Submissions –		should be mandatory	NEW ACTION re exploring further options to
(30, new action 39)	Sustainable	-	Incentivise green builds / low carbon buildings that	incentivise sustainable buildings
	BOP, CRG		prioritise operational efficiency (including solar energy,	Note we cannot enforce a higher standard than the
			water saving) (residential and commercial)	Building Code
		-	Disincentivise use of natural gas and LPG	
		-	Only issue consents where can demonstrate carbon	
			produced in construction will be net zero	

Managed retreat (L5)	Survey (1),	-	Increased prioritisation + pace	Page 21
(27)	Submissions –	-	Cohesive plan and communication	We would be very unlikely to act more quickly than
	Toi Te Ora,	-	CRG – inclusion of low-lying industrial areas	national / Government direction or to cover
	CRG			industrial areas at the pace suggested by CRG
				Minor amends to wording of action L8 for clarity +
				concept of the need for retreat introduced earlier in
				context
UFTI, Smart Growth	Submissions –	-	Need reassessment	No
	Toi Te Ora,	-	Dangers of greenfield development/sprawl instead of	Outside scope of review. Land use and urban form
	Sustainable		compact urban form	already addressed through actions and outcomes
	ВОР			
Sponge cities	Survey (2),	-	Incorporate "sponge city" concepts in urban planning and	Page 44
	Submissions –		infrastructure development (this involves extensive areas	Sponge City definition added as part of Nature Based
	Toi Te Ora,		of wetlands and forests in an urban setting that in extreme	Solutions in glossary
	CRG		rain events will soak up water, or during extended periods	Otherwise no amends - Sponge city principles are
			of drought become a source of water)	already applied where possibleCouncil is committed
				to applying biophilic principles and achieving
				Biophilic City accreditation as a first step.
People and Communit		1		
Support for	Survey (1),	-	High priority	No
community to drive	Toi Te Ora,	-	Need more community organisations like Envirohub	Already priority action
climate change	Wise Owl			
initiatives (PC5) (48)				
Behaviour change	Survey (2),	-	Important	No
and communications	Wise Owl, Toi	-	Need to reach / engage wide audience, use multiple	Already addressed
(PC3) (50)	Te Ora		formats	
Community gardens,	Survey (2),	-	Support for community and home gardens / upskilling	Page 24
Mana Kai Mana Ora	Wise Owl,		around growing food	Wording amended to include planter boxes, help
Food Sovereignty	Submissions –	-	Citywide planter box programme in backyards	with seeking funding
& Food Security Plan	Toi Te Ora,	-	Fund Mana Kai Mana Ora coordinator	
(PC13) (56)	Mana Kai			
	Mana Ora			
Business				

Priority One – additional actions Natural Environment	Feedback from Priority One	 4 additional actions/projects owned by P1 Alternative transport modes Waste Regional Energy Transition Accelerator Events 	Page 27 Added to Business actions
Importance of funding, working with BOPRC and adopting nature- based solutions (E2, E5) (69, 70)	Survey (2 – incl BOPRC)	- Blue carbon sequestration and wetland restoration are examples of Nature Based Solutions	Page 30 E2 modification to wording and increased to priority action – to apply as an overarching principle when looking to enhance/restore land [staff time so no additional funding] Funding is outside scope of AIP (cover through LTP process) Added wording re Nature Based Solutions
Nature and Biodiversity	Survey (6)	 Feedback re areas already covered by Nature & Biodiversity AIP including green corridors, increasing vegetation and biodiversity, community mobilisation, biophilic principles in urban design, replanting native forest 	No No additional action/changes required – feedback shared with Nature & Biodiversity team
Stormwater runoff / pollution	Survey (3)	- Protection of waterways	No Covered by draft Stormwater Strategy, already a focus for Waters teams
Proactive review of open spaces, wetlands and plantings	Submission – CRG	 Open spaces, wetlands and plantings in the city be reviewed through the lens of carbon capture, adaptation, resilience, and environmental services 	Page 30 Added as NEW ACTION on feedback from Nature & Biodiversity AIP team

Tauranga City Council

Te rautaki āhuarangi mō Tauranga Tauranga Climate Action and Investment Plan.

Final draft: August 2023

(Substantive changes from v4 – 10 May consultation version shown in green)

1

Page 155

Summary

As a growing coastal city, Tauranga faces a number of climate change challenges. We are already experiencing increased frequency of extreme weather events, prolonged drought periods, warmer temperatures and impacts from rising sea levels, such as coastal inundation and erosion.

With a large proportion of our population living on the coast, our changing climate is a significant concern. Māori communities are vulnerable with marae (Māori community meeting places), papakāinga (home base, village, communal Māori land) and urupā (burial grounds) often located in areas prone to climate change impacts. Changing seasonal rainfall patterns and increased frequency of hot, dry weather will affect the rivers that supply Tauranga City with drinking water during a period where demand is increasing through significant population growth. Increased frequency of extreme weather events causing damage to critical infrastructure and supply chains has implications on community and business connectivity.

In recent years Tauranga City Council (TCC) has undertaken a number of initiatives to reduce greenhouse gas (GHG) emissions and manage the effects of climate change. However, additional urgent action is needed now if we are to mitigate the impacts of climate change and become a climate resilient city.

This Climate Action and Investment Plan (Climate AIP) outlines the actions that TCC will take towards the city-wide goal in Tauranga Taurikura (TCC's Environment Strategy) for a 'low emissions and climate resilient city' by focussing on two main climate adaptation and climate mitigation goals:

As a City, we understand our risks and are ready and prepared to adapt to a changing climate.

As a City, we will reduce our greenhouse gas emissions and in partnership with our regional and national partners, we will work to reduce our greenhouse gas emissions while recognising the local practical realities of achieving a science based target and national net-zero commitment.

Although this Climate AIP focuses mostly on the actions of TCC, it will take a collaborative effort from TCC, businesses, industries, tangata whenua, central government and the community to make the changes needed.

Contributing to the global climate crisis response now means Tauranga can be on the right side of history.

Te Taiao; He anga whakahaere

"Ka ngaro ka ngaro, Ka ea ka ea Te Toka a Tirikawa"

"Though it is submerged and lost, the rock of Tirikawa will always reappear again"

Our local korero (narratives) and purākau (stories) offer a wealth of knowledge and wisdom that can guide us in creating solutions to protect our environment now and into the future.

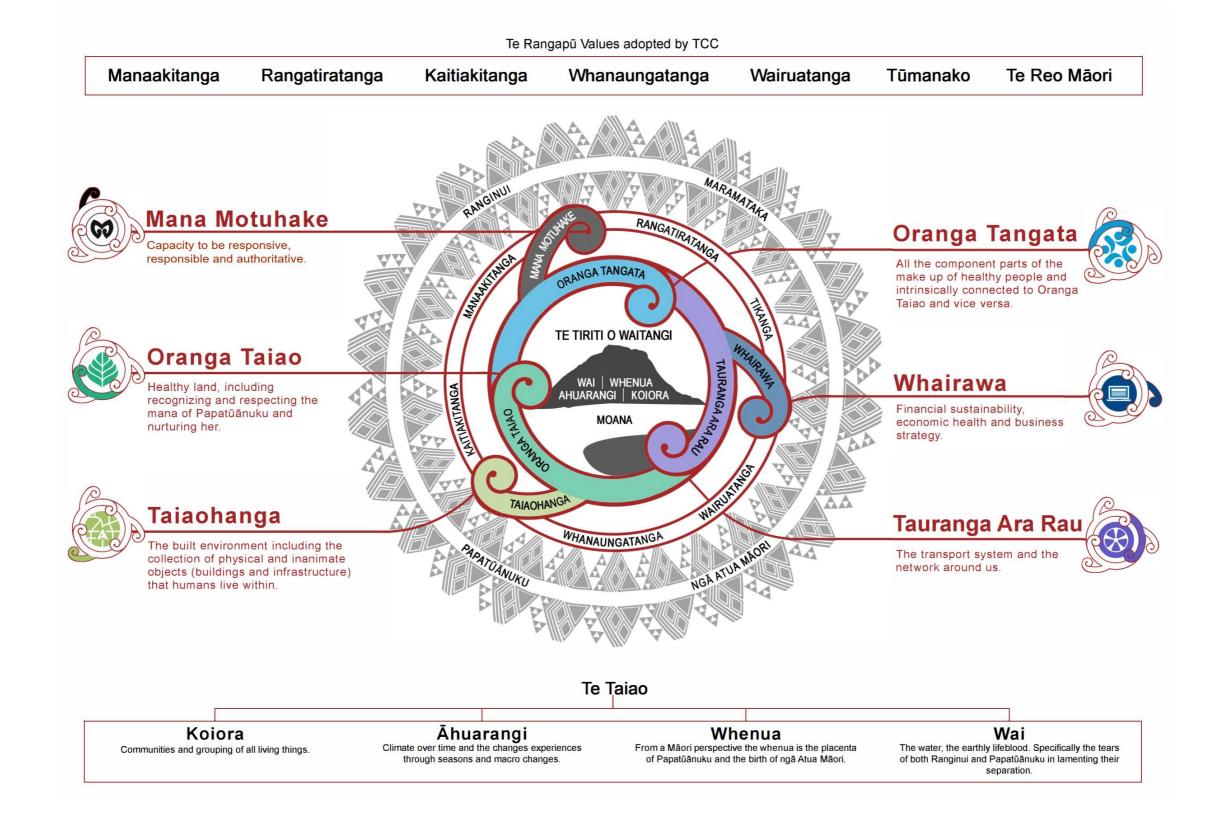
At the base of Mauao there stands a rock called Te Toka a Tirikawa (North Rock) that has withstood the crashing waves of the ocean for many generations. The story of Te Toka a Tirikawa features a visitor who travels to Tauranga Moana (the greater Tauranga area) seeking advice from a residing Tohunga (Expert) on how to become a successful toa or warrior. The visitor never lost sight of the vision of waves breaking on Te Toka a Tirikawa and eventually became a warrior in his homelands.

In a world that is facing the threat of climate change, the story of Te Toka a Tirikawa is more relevant than ever. It provides a powerful message of resilience, endurance and a deep reverence for the natural world and the interconnectedness of all things. As we face the challenges of climate change, it is essential that we look to the wisdom and knowledge of our ancestors and draw on the knowledge and values that underpin Te Ao Māori (the Māori worldview) and Mātauranga Māori (Māori knowledge and perspective).

The framework on the next page illustrates a Te Ao Māori worldview, highlighting the interconnected relationship between people and their environment (Te Taiao). This framework serves as a guide to inform and shape decision-making, actions and behaviours, with the goal of aligning them with the overarching objectives of the Climate AIP.

Appendix 1 provides further perspectives and descriptions on the framework (Anga Whakahaere), including the values and aspects of Te Taiao. These were co-developed with representatives of the Te Rangapū Mana Whenua o Tauranga Moana Partnership (an autonomous body made up of 17 representatives from each of the hapū and iwi in the TCC area).

Ordinary Council meeting Agenda 21 August 2023



Item 11.4 - Attachment 2

Rārangi ūpoko

Contents

PART 1 OUR CITY-WIDE PLAN (Background and context)

- 1. Where this plan fits in the TCC Strategic Framework
- 2. Where we are now
- 3. Incorporation of our approaches how we will do things differently

PART 2 TCC ACTIONS AND INVESTMENTS

- 4. Actions
 - A. Leadership Mana Motuhake
 - B. Transport Tauranga Ara Rau
 - C. Land use and Built Environment- Taiaohanga
 - D. Communities Oranga Tangata
 - E. Business Whairawa
 - F. Natural Environment Oranga Whenua
- 5. Governance, review, and monitoring
- 6. Measures of success

Appendices

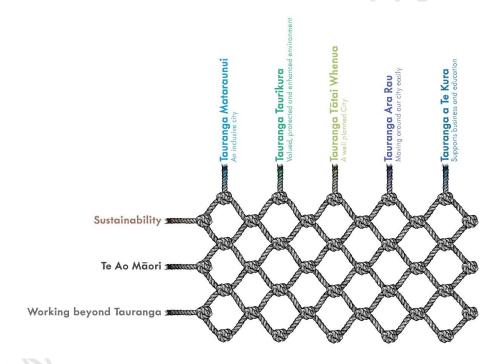
- 1 Te Taiao and Te Reo Māori glossary
- 2 Further context around Mitigation and Adaptation
- 3 Actions for individuals and businesses
- 4 Glossary

Tō tātau mahere mō te tāone whānui

PART 1 – OUR CITY-WIDE PLAN – Background and context

1. Te tauamata ia o tēnei mahere ki waenga i te Rautaki Waitara o TCC. Where this plan fits in the TCC Strategic Framework.

Our Direction is Council's strategic framework, which shows how everything we do contributes to achieving the vision for Tauranga. Our Direction is visually represented by the kupenga (a type of fishing net), which weaves together Council's five community outcomes (what we are trying to achieve for our communities) and three approaches (how we will do everything):



Council has one primary strategy for each community outcome. Primary strategies set out our goals and high-level actions to deliver on that community outcome. Our action and investment plans (AIPs) set out what we will do to deliver on each of our primary strategies. Many AIPs contribute to more than one primary strategy, and often also contribute to delivery of other AIPs. For more information, go to: Our Direction. The Climate AIP delivers primarily on our Tauranga Taurikura — Environment Strategy but has crossover with all other strategies, plans and community outcomes¹. The Climate AIP has informed development of the Tauranga City Council 2024-2034 Long-Term Plan (LTP)² budget.

¹ These include the Nature and Biodiversity AIP, City Centre AIP, Tauranga Events AIP, Accessible Tauranga AIP, Western Bay Transport System Plan, Priority One Business Plan, Our Public Places Strategic Plan, Waste Management and Minimisation Plan, Spatial Plan.

 $^{^2}$ The LTP sets council's direction and establishes the work that will be delivered to the community over the next 10 years, as well as setting out how that work will be funded.

2. Te paenga taumata o te tāone o Tauranga i āianei Where we are now

Mitigating and adapting to Climate Change

In recent years TCC has undertaken a number of initiatives to reduce greenhouse gas emissions and better understand the effects of climate change. These have included changes to the domestic waste system, accessible streets programme, streetlight LED investment and mapping of natural hazards, including climate change hazards, across Tauranga City.

TCC believe additional urgent action is needed to address climate change. As a city we must understand where we are now in order to set the direction for our future.

What we know:

- The levels of carbon dioxide, methane and other greenhouse gases in the atmosphere are increasing.
- The earth's temperature is changing at a rate unprecedented in recent history.
- Limiting climate change will require immediate and substantial reduction of greenhouse gases (mitigation).
- The effects of climate change will continue even after emissions are reduced and we need to manage and adjust to the impacts of a changing climate (adaptation).
- The climate system is very complex and there are uncertainties about future changes and impactful tipping points knowledge is still evolving.

Mandates to act

Internationally and nationally TCC has mandates to act to reduce greenhouse gas emissions.

<u>International</u>

The Intergovernmental Panel on Climate Change ("IPCC")³ has shown that globally emissions need to reduce by 50% by 2030 to reduce the worst impacts. The latest IPCC report⁴ states that "human-caused climate change is already affecting many weather and climate extremes in every region across the globe. This has led to widespread adverse impacts and related losses and damages to nature and people ... Vulnerable communities who have historically contributed the least to current climate change are disproportionately affected".

Aotearoa New Zealand is party to a number of global agreements committing us to reduce greenhouse gas emissions and transition from the use of fossil fuels⁵.

Aotearoa New Zealand

Aotearoa New Zealand passed a Zero Carbon amendment to the Climate Change Response Act in 2019, which sets a target for all greenhouse gases except for biogenic methane (methane from agriculture and waste) to reach net zero by 2050.

³ The IPCC is the United Nations body for assessing the science relating to climate change

⁴ https://report.ipcc.ch/ar6syr/pdf/IPCC_AR6_SYR_SPM.pdf

⁵ https://www.mfat.govt.nz/en/environment/climate-change/working-with-the-world/building-international-collaboration/

The Ministry for the Environment published the Emissions Reduction Plan (ERP)⁶ and National Adaptation Plan (NAP)⁷ in 2022, outlining central government's roadmap to decarbonise Aotearoa New Zealand and enhance our nation's climate resilience, respectively. The ERP and NAP both emphasise that local government has an important role to play in addressing climate change, particularly when it comes to land use decisions. However, central government acknowledges they will be required to provide substantial support, including by setting clearer policy direction and providing resource assistance over the coming decades.

Mitigation - reducing our city's emissions

Tauranga City emissions footprinting⁸ began five years ago and shows that Tauranga's greenhouse gas emissions have been trending upwards. The COVID-19 pandemic provided a small relief in Tauranga's footprint however it has since bounced back to higher emissions than pre-COVID-19 levels. Over 75% of this footprint comes from transport emissions. For the first time, marine transport emissions were included and equated to about half of the transport emissions.

Appendix 2 contains a more detailed analysis of Tauranga's greenhouse gas footprint.

Calculating an initial science-based target

Through the development of this plan, we have sought to understand what an initial science-based target for emissions reduction would look like for the city. A science-based target is intended to show what a city's 'fair share' contribution is to achieve a global 1.5°c emissions trajectory as a mid-point (2030) to achieving net zero by 2050.

It should be noted that calculating an initial science-based target does not mean that we are proposing to adopt that target as a realistic and achievable target for the city. Instead, it has been prepared for the purpose of understanding the reduction required over the 2030 and 2050 timeframes.

Modelling showed a significant gap between the ideal goal represented by the initial science-based target (amended for the removal of marine freight emissions) extrapolated out to 'net zero by 2050' and the modelled potential emissions reductions for the city.

Appendix 2 contains further exploration of a science-based target.

Adaptation

Climate adaptation describes the processes and actions required to reduce the impacts of climate change on infrastructure, the natural environment, people, and their economic wellbeing. Tauranga is already vulnerable to climate induced hazards including slips, flooding, coastal erosion, and inundation. Climate change will exacerbate the consequences of these hazards and introduce new impacts.

As a coastal city that is under significant growth pressure, coastal hazards are significant⁹. A lot of the city's critical infrastructure is located on the coast, including wastewater treatment plants, access roads, ports and airport. These risks (among others) mean that there is a need to hold conversations

 $^{^{6}\,\}underline{\text{https://environment.govt.nz/publications/aotearoa-new-zealands-first-emissions-reduction-plan/2}}$

https://environment.govt.nz/publications/aotearoa-new-zealands-first-national-adaptation-plan/

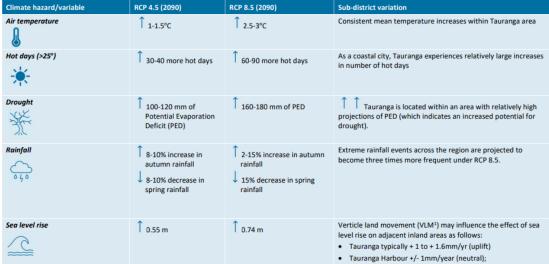
https://www.tauranga.govt.nz/Portals/0/data/living/climate-change/files/tauranga-community-carbon-footprint-report-2022.pdf

⁹Over 2,800 buildings are identified as having 'High' risk of coastal inundation under a future (2130) 1% AEP event scenario - Tonkin & Taylor (2020) Tauranga City-wide Natural Hazards Risk Assessment. Coastal erosion is also 'likely' to affect over 450 properties by 2130

across communities around the impact of climate change on people's homes and businesses and how Tauranga City is going to respond and fund the measures needed for change.

Changing seasonal rainfall patterns and increased frequency of hot, dry weather will affect the rivers that supply Tauranga City with drinking water. The added demand through significant population increases means that water scarcity and increasing water restrictions is likely in the future.

The graphic below¹⁰ demonstrates projected climate changes for Tauranga over the remainder of the century.



¹VLM has the potential to change the effects of sea level rise, with subsidence increasing the depth and bringing forward the timing of sea level rise impacts, and uplift decreasing the effective depth and pushing out the timing of observed sea level changes. VLM rates, sourced from NZSeaRise⁴, have been developed using datasets that are short relative to the duration of this assessment⁵. Precise levelling data for specific sites over extended time periods may provide increased confidence in the rate of vertical land movement over the time periods considered in this assessment.

Appendix 2 contains more context, including further information on the natural hazards resilience project that assesses risks for key infrastructure.

The Important Role of our Community

Community engagement has told us that our communities are concerned about climate change and are taking actions themselves to mitigate its effects¹¹. The consistent theme from our communities is very strong appreciation for our natural environment. It is a key reason why people choose to live in Tauranga City.

⁴ Maps — NZ SeaRise Programme

⁵ Ministry for the Environment. 2022. Interim guidance for voluntary climate change mitigation. Wellington: Ministry for the Environment.

¹⁰ RCP = Representative Concentration Pathway. Source: Bay of Plenty Regional Climate Change Risk Assessment – Volume 2: District Summaries (Tonkin & Taylor, April 2023) – downloaded from https://www.boprc.govt.nz/environment/climate-change/regional-risk-assessment.

¹¹ In the 2022 Quality of Life Survey, 76% of respondents were 'A Little Worried, Worried or Very Worried' about the impact of climate change on Tauranga City. The biggest climate related actions being taken by the community are around managing waste (76%), purchasing choice (61%) and food actions (55%).

Actions by TCC, combined with individual changes in behaviours and action at a 'grass-roots' level, will move us towards meeting our collective goals. Ultimately this plan needs every individual in Tauranga to be a climate leader to achieve the outcomes sought.

We ALL have the opportunity to be a climate leader by taking actions such as:

- · Reducing emissions, energy, and waste.
- Reconditioning homes to make them water and energy efficient, and resilient to weather events.
- Reducing food waste and separating recycling and organic matter from landfill waste (or growing our own food).
- Raising awareness on climate action, care for the environment and restoring the mauri (life principle, life force) of our waterways.
- Shifting mode of travel to more sustainable modes such as walking, cycling, transit, carpooling, car sharing, and electric vehicles.
- Working from home on occasion or taking the bus to the office.
- Being examples of how each small change can have a positive global impact.

Appendix 3 contains more detailed information about actions that individuals and businesses can take to be climate leaders.

More advantages of climate action

Tauranga City has the opportunity to be steadfast, creative, and entrepreneurial about our response to climate change. Positive outcomes are numerous and include:

- We can help protect and adapt our homes and businesses, lessening the direct cost of things like repairs and insurance and the associated negative health and wellbeing impacts.
- We can unlock significant co-benefits through our decision making; including green infrastructure
 that provides access to nature to support health and wellbeing as well as acting as carbon sinks
 and enhancing resilience.
- Demonstrating Tauranga as a low carbon and resilient city can support our local businesses to be competitive in global markets where low carbon goods and services are in demand.

Te urunga o ā mātau whainga – ka pēhea mātau e whakarerekē Incorporation of our three approaches – how we will do things differently.

Te Ao Māori



We commit to integrating key Māori concepts into how we work, to work in partnership with mana whenua and to strengthen relationships with tangata whenua of Tauranga Moana. The Anga Whakahaere framework forms a key part of this Climate AIP.

What this will look like in practice:

- Regular meetings and information sharing with Te Rangapū Mana Whenua o Tauranga Moana and specific mana whenua groups as appropriate.
- Develop measures and indicators with Iwi aligned with mātauranga Māori (Māori knowledge) that are relevant to the outcomes of this plan.
- Support Tangata Whenua to build capacity as kaitiaki (guardians) of their rohe.

Sustainability



We commit to delivering our projects and services in a holistic manner, protecting and enhancing our city for the future and considering the environmental, social, cultural, and economic impacts of everything we do.

What this will look like in practice:

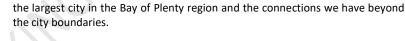
- ➤ In order to be kaitiaki for a better tomorrow, we will build climate resilience in Tauranga by embedding climate risks in our decision-making and service delivery. To avoid the most harmful impacts of climate change, we will work with regional and central government, industry, community groups, and the public to reduce emissions in our city.
- We will ensure this work is fair and inclusive, delivering equitable outcomes and leaving no one behind in the way we shape our better tomorrow.

We commit to working collaboratively, building constructive partnerships with

our key stakeholders and considering the impacts of what we do, and don't do,

on not just our city but also our region and country. We acknowledge our role as

Working beyond Tauranga





What this will look like in practice:

- Working with regional and national partners, including Bay of Plenty Regional Council, who have a joint role in some of the actions in this space.
- Working with neighbouring councils to provide a holistic response to climate change.
- Working harder on cross-team collaboration within TCC, as this is also critical for success.

For more information about TCC's three approaches, including our Te Ao Māori principles, see: https://www.tauranga.govt.nz/our-future/our-direction

Part 2 – TCC ACTIONS AND INVESTMENTS

4. Te whakatutuki – ngā hanga ka whakarerekē Actions / Implementation – what we will do differently

This section lists the actions and approaches TCC will take to set us on the pathway to achieve the goals in Tauranga Taurikura for a 'low emissions and climate resilient city'. The actions are divided across six areas of Mana Motuhake (Leadership), Tauranga Ara Rau (Transport), Taiaohanga (Land use and Built Environment), Oranga Tangata (People and Communities), Whairawa (Business) and Oranga Taiao (Environment).

Actions were developed following consultation on ambitions for Tauranga City with representatives of Te Rangapū Mana Whenua o Tauranga Moana and representatives from special interest groups and business. They include TCC's priority actions for each area, the TCC led and funded actions and additional city-wide actions that, through collaboration, TCC will be involved in and support. It should be noted that the order in which actions are listed within the priority actions does not reflect their order of importance.

Funding and financing

It is also worth noting that not all actions need to be funded by TCC. TCC will continue to explore viable alternative approaches to funding and financing the plan, including working closely with central Government to unlock joint funding and considering the use of transparent, beneficiary pays alternative funding models.

Sustainability projects (such as green buildings, clean transport, renewable energy, biodiversity restoration, affordable housing and more) can also benefit from lower interest rates on borrowing from the Local Government Funding Agency (LGFA). Councils with an active corporate climate emissions reduction plan with science aligned targets may also be rewarded with a further reduced cost of LGFA borrowing. These factors will be included in further exploration of funding mechanisms and structure for this plan.

Interpretation of action tables and alignment with Long Term Plan -

KEY to symbols and abbreviations used within the action tables that follow:

Proposed timeframes – timeframes are proposed in alignment with long-term plan periods:

- Immediate starting 2023 (i.e. 1 July 2023 30 June 2024).
- Short term 2024-2026.
- Medium term 2027-2029.Longer term 2030 onwards.

Indicative costs – unless already committed to, costs are indicative only. Investigation of future project costs will be undertaken as part of developing the 2024-2034 Long-term Plan:

- \$ Less than \$0.5 million.
- \$\$ \$0.5 million to \$2 million.
- \$\$\$ \$2 million to \$5 million.
- \$\$\$\$ More than \$5 million.

Symbols and terms:

- LTP refers to the 2024-2034 Long-term Plan (currently under development).
- Priority actions are being considered for inclusion in the Draft LTP if additional funding is required. If no additional funding is required, priority actions are to be implemented as soon as possible. It is unlikely that all priority actions will be able to be funded within this LTP.
- Funded / Partially Funded / Unfunded signifies the funding status in relation to the working draft LTP as at July 2023. This funding status will be updated to reflect final decisions once the LTP is adopted in April 2024. Some actions may be funded or partially funded by other organisations.

General notes:

- Identification of partners does not constitute a financial commitment.
- Lead agencies are highlighted in **bold**.

A. Mana Motuhake Leadership

Aspiration: TCC demonstrates climate change leadership, working in partnership with mana whenua and communities.

Tauranga toa taumata rau – Tauranga of the many resourceful peaks – the peaks represent the facets of leadership that can be tapped in to between Council and ahi- $k\bar{a}$ (people of the home).

	Outcomes				
TCC will show	TCC partner with mana	TCC are trusted leaders for the	TCC incorporate		
leadership in climate	whenua and influence our	people of Tauranga by	climate change into		
action,	community to drive climate	demonstrating results and	our decision-making		
demonstrating	adaptation and carbon	providing clear and transparent	processes, long term		
determination,	reduction initiatives and	communication on our own	plans and		
advocacy, and	enable behavioural change	carbon reduction pathway and	investments.		
commitment.		progress.			

Contributions from TCC and others - TCC will continue to work with the regional and neighbouring district councils on areas such as their climate plans, spatial planning, and public transport provisions. Through service provision and local infrastructure decisions, Tauranga should be integrated with its neighbours, and have actions driving us toward the same climate positive direction.

TCC require the public to work with us on carbon reduction initiatives and engage in discussions around climate adaptation measures that may be needed. TCC require genuine partnerships to embed resilience and sustainability into our communities.

Central government is already playing a role in setting national carbon emission reduction budgets and providing guidance for sector-specific emission reduction plans. Central Government need to build on their current commitments to accelerate climate adaptation and climate mitigation through policy settings, funding support, and financial mechanisms to support local government to incentivise the low carbon transition in Tauranga and enhanced resilience.

	Actions and programmes of work	Proposed timeframes	Indicative cost ¹²	Who
Priorit	y Actions			
1	Develop a localised Climate Change Risk and Vulnerability Assessment (to work out what the risks are and who will be vulnerable) to build on the regional assessment developed by Bay of Plenty Regional Council ("BoPRC").	Immediate	\$ - Funded	TCC, BOPRC
2	Evolve the Climate AIP to better understand likely future carbon emissions as things change (population growth, changes in behaviours, etc), and establish a communications plan to clearly advise what we can do to make a difference.	Immediate	\$ - Funded	TCC and Partners
3	Identify where additional climate monitoring information is needed to ensure AIP goals are reached, and introduce relevant monitoring as needed.	Immediate	\$ - Funded	TCC
4	Include climate change risks and opportunities in TCC decision-making processes (through the development of processes/tools as required).	Immediate	\$ - Funded	TCC
5	Include climate change risks in the change management plan for rollout of the Risk Management Framework across TCC, enabling all business units to identify and assess relevant risks, with a view to identifying amendments for potential inclusion in future versions of Risk Framework as appropriate.	Immediate	Staff time only	TCC
6	Pursue measurement of embodied carbon (carbon emitted during construction), including construction materials, construction operations, transportation and earthworks, to reduce embodied impacts of high-carbon assets.	Short term	\$ - Funded	TCC
7	Complete a Tauranga City-wide carbon footprint at least every two years and report publicly.	Short term	\$ - Funded	TCC
8	Develop measures and indicators with Iwi aligned with mātauranga Māori (Māori knowledge) that are relevant to the outcomes of this plan.	Medium term	\$ - Funded	TCC
9	Include climate resilience and low carbon asset management strategy in asset management planning for TCC assets.	Immediate	\$ - Funded	TCC
10	Review relevant existing TCC strategies, policies, plans, and manuals, to identify opportunities to embed climate goals.	Immediate	\$ - Funded	TCC
11	Regularly review results from climate monitoring and report results to a decision-making committee that has iwi representation (and to Te Rangapū Mana Whenua o Tauranga Moana Partnership).	Short-term	\$\$ - Funded	TCC, mana whenua

¹² Indicative cost column also identifies funding status within the working draft 2024-2034 Long-term Plan, as at July 2023. Any change in funding status will be identified in this table once the LTP is adopted in April 2024.

	Actions and programmes of work	Proposed timeframes	Indicative cost ¹²	Who
12	Establish a TCC Rangatahi (youth) Climate Action advisory group and/or connect regularly with school and youth community climate groups to ensure rangatahi input.	Immediate	\$ - Funded	TCC
Other To	CC Led Actions (not currently prioritised)			
13	Measure annual costs of maintenance and repairs from extreme weather events (including drought) for TCC assets and operations.	Immediate	\$ - Unfunded	TCC
14	Explore with Bay Venues Ltd opportunities to use public facilities as a showcase to tell best practice climate change and sustainability stories.	Short-term	\$ - Partially funded	TCC, Bay Venues
15	Advocate, as appropriate, to Central Government for increased investment and support for climate initiatives.	Short-term	Staff time only	TCC
Other Ta	auranga City-Wide Actions			
16	Develop a Tauranga / Bay wide Climate and Circular Economy forum to identify and screen opportunities, facilitate collaboration, and incubate ideas on a climate resilient and low-carbon future.	Short-term	\$ - Externally funded (Priority One / Beca)	TCC, BOPRC, Priority 1, WBOPDC, Iwi, University of Waikato, Te Whatu Ora

B. Tauranga Ara Rau Transport.

Aspiration: Our transport system is low-emission, climate resilient and better connected.

Tēnei a Tauranga, ka hiki i te ara – This is Tauranga, driving forward – *this is a play on words* from a local saying derived in times of war. The context of urgency is used to gather toward a common transport goal.

	Outcomes						
Tauranga City's people	Tauranga City has a	Tauranga City's public	Tauranga City communities				
use a variety of public	connected network of	transport network is low	understand that transport is the				
transport, walking,	safe active transport	carbon, convenient and	biggest contributor to emissions				
biking, and micro-	corridors that are	well connected.	and that behaviour change is				
mobility transport	resilient to climate		required to make a collective				
modes.	change.		difference.				

Contribution from others: To achieve the reduction in transport emissions needed we all are required to change our transport behaviours, for example by using the public transport network and paths for walking and cycling. Partnership and collaboration with BoPRC, Western Bay of Plenty District Council and Waka Kotahi will also be key to taking a systemic and coordinated approach to transport emissions reduction.

Marine freight has been included in the regional emissions inventory for the first time. These emissions are associated with fuel use of vessels as they travel between the Port of Tauranga (the Port) and other ports¹³. Port of Tauranga are exploring how to reduce the emissions at the Port where there is direct responsibility¹⁴. The Port is also a key partner in supporting emissions reduction from land transport to and from the Port, such as freight optimisation, moving freight from road to rail and being ready to enable land freight companies to transition to low or zero emissions road fleet. Marine freight companies will be expected (supported by international research, innovation, collaboration and investment), to improve the efficiency of vessels and move to low carbon or zero emission fuels.

Central government will play a crucial role in supporting our low carbon transport future. Funding will accelerate research and development on low carbon freight solutions, regional passenger transport solutions, and enable an equitable uptake of zero emissions and electric vehicles. The ERP provides a transport 'route map' out to 2035, indicating actions central government will be taking to support uptake of zero emissions and electric vehicles, decarbonisation of freight, and improved active and public transport infrastructure. The NAP indicates the critical actions central government and relevant crown entities will take to ensure a resilient transport network. Actions include, for example, development and implementation of the Waka Kotahi Climate Adaptation Plan, and the integration of adaptation thinking into Treasury decisions on infrastructure investment.

¹³ Please refer to the Tauranga City Community Carbon Footprint on how the emissions have been calculated and apportioned in Tauranga, noting the benefits of the goods moved in and out of the port benefit the communities across and outside the Bay of Plenty.

¹⁴ The electricity, fuels and waste generated from the Port are reported in the energy and waste areas of the city wide carbon footprint. Marine freight emissions are only associated with the movement of vessels in and out of the port.

	Actions and programmes of work	Proposed timeframes	Indicative cost	Who
Priority	y Actions			
17	 Deliver actions identified in the study on travel demand and behaviour change in Tauranga, for instance: Expanding the Travel Safe programme to assist more schools and workplaces to encourage sustainable transport modes. Supporting workplaces and visitor attractions to develop travel plans and improve 'end of trip' facilities (i.e. showers, lockers, bike/scooter parking). Improving links to parking management across the city to better manage needs and requirements of businesses and customers. Supporting the development of safe travel infrastructure. 	Short Term	\$\$ - Funded	тсс
18	Update transport planning to identify how to reach 'vehicle kilometres travelled' targets and emission goals set by central government.	Immediate	\$\$ - Funded	TCC
19	Deliver on-the-ground transport projects that support growth and emissions reduction, including: Route and bridge resilience. Walkways and cycleways. Bike parks in the city centre. Park-and-ride opportunities. Assessing if a road charging system ¹⁵ should be explored for Tauranga. Providing infrastructure to allow additional housing and amenity in existing parts of the city.	Short-term	\$\$\$\$ - Funded	TCC, BoPRC, WBoPDC, Waka Kotahi, Ministry of Transport
20	Support the public EV charging infrastructure plan with partners for all centres (to be included in the implementation plans for the TCC Parking Strategy and funding provided).	Medium Term	\$\$ - Partially Funded	TCC, BoPRC and partners
21	Incorporate climate risk considerations into road asset management planning (i.e., use of materials that withstand heat stress, drainage etc; establishment of long-life concrete roundabouts).	Short Term	\$ - Funded	TCC

¹⁵ Potential benefits of a road charging system for Tauranga include reduced congestion and delays, reduced vehicle kilometers travelled and carbon emissions, increased mode shift to public transport and walking/cycling, improved network optimisation, and a revenue source to reinvest in further land transport improvements.

	Actions and programmes of work	Proposed timeframes	Indicative cost	Who
22	Collaborate with BoPRC and the community to assess gaps in public transport service provision and develop strategies to increase public transport uptake.	Short Term	\$ - Externally funded (BoPRC)	TCC and BoPRC
23	Investigate options to improve capacity, reliability of travel times, and multi-modal opportunities on Tauranga's arterial road network.	Short Term	\$\$ - Funded	TCC
Other	Tauranga City-Wide Actions			
24	Support BoPRC to electrify the bus fleet by BoPRC developing a bus fleet transition plan, including bus charging infrastructure.	Short Term	\$\$\$\$ Unfunded / Externally funded (BoPRC)	BoPRC
25	Support central Government as required to further explore the feasibility of passenger rail service from Tauranga ¹⁶ .	Medium term	\$ - Unfunded	TCC, central government
26	Ensure public transport is provided to all council and Bay Venues public facilities, including Mercury BayPark.	Short term	\$ - Unfunded	TCC, BoPRC

¹⁶ At the time of writing (July 2023) Government was considering the report presented by the Select Committee re "Inquiry into the future of inter-regional passenger rail in New Zealand" https://selectcommittees.parliament.nz/v/6/3f66b447-9b3b-492e-8857-08db7c2fcbf3 which included a recommendation that a scoping study for Auckland-Tauranga passenger rail services be progressed

C. Taiaohanga

Land use and Built Environment

Aspiration: Our built environment and land development planning is low-emission and resilient.

Ngā mano wai, kōputahi ki Tauranga moana – The tributaries that lead to Tauranga harbour – the built environment is informed by each corner of the natural environment contributing to the larger body of water/land.

Land Use and the Built Environment includes buildings, infrastructure and utilities and the way Tauranga City uses and develops land. It accounts for the second largest emissions area for Tauranga City.

		Outcomes	
Tauranga City's urban	TCC manage our	TCC understand the	Homes and buildings are energy
development is	waste resources	challenges and	efficient and healthy and are
informed by an	effectively,	opportunities for the built	constructed using low carbon
understanding of	recover and reuse	environment and deliver	building products and
climate risk and	our materials and	outcomes for the natural	sustainable designs.
provides resilient and	utilise energy	environment through	
localised	recovery in a	infrastructure planning and	
communities	circular economy	decision making.	
	model.		

Contribution from others: The SmartGrowth Strategy is an important document that outlines how our community is planned and developed into the future. Our planning rules need to reflect the risks of climate and the impacts our urban development has on carbon emissions.

Landlords, home builders and developers are also part of the solution and will need to deliver resilient and low carbon housing and buildings. As one of Aotearoa's fastest growing areas, new housing will be needed and there will be a focus on compact urban form, using low carbon building materials and designs, and resilient buildings. There will also be a significant need for retrofitting and upgrading existing building and housing stock to be more resilient and energy efficient driven by homeowners and landlords, supported by technical expertise and labour.

The NAP emphasises that local government have a critical role to ensure development occurs in the right locations. However, the NAP acknowledges that central government will need to provide clearer guidance for local government on land use decisions and managed retreat. The ERP identifies that central government will be responsible for providing the necessary policy frameworks and tools to support land use and infrastructure decisions in line with emissions reductions. Resource Management Act reform and Three Waters reform are expected to provide this direction for both resilience and emissions reduction.

Collaboration between regional council, central government and the primary sector is also needed to decarbonise and improve the resiliency of agriculture, horticulture and forestry including enabling the outcomes from central government processes such as He Waka Eke Noa (Primary Sector Climate Action Partnership) within Tauranga and the Bay of Plenty.

20

	Actions and programmes of work	Proposed timeframes	Indicative cost	Who
Priorit	y Actions			
27	High level community awareness programme on the impacts of climate change on the city and long-term adaptation options, including managed retreat, for those parts of the city most at risk. (Linked to actions 31 and 48).	Short Term	\$ - Funded	TCC
28	Progress the Mount North Flooding and Stormwater Adaptation Project to address stormwater issues in the Mount North catchment. The project will use Dynamic Adaptive Policy Pathways (DAPP) methodology ¹⁷ .	Immediate	\$ - Funded	TCC
29	Implement the SmartGrowth Strategy which involves, among other things, creating an urban design panel, publishing urban design guidelines, and finishing off flooding and increased housing density City Plan changes.	Immediate	Various – funded in appropriate budgets	тсс
30	Develop guidelines around what low carbon and resilient developments look like, how this can be achieved, and which highlights benefits for developers and tenants.	Short Term	\$ - Funded	TCC, Partners and Developers
31	Community awareness programme on the benefits of urban intensification / compact urban form and its suitability to many different lifestyles. (Linked to actions 27 and 50).	Short Term	\$ - Unfunded (funding for actions 27 & 50)	тсс
32	Set a resource efficiency and waste minimisation policy to ensure that all TCC projects >\$2 million manage and minimise construction and demolition waste.	Short term	\$ - Funded	TCC
33	Identify and establish sub-regional waste infrastructure required to further reduce waste to landfill	Immediate	\$\$\$\$ - Funded	TCC (and potentially others)
34	Fund a community resource recovery centre and waste minimisation education centre.	Short-term	\$\$ - Funded	TCC
35	Include additional climate risks such as heat, humidity, drought and fire in TCC's Infrastructure Resilience Program.	Short term	\$\$ - Partially funded	TCC
36	Investigate wastewater treatment plant sites, to understand detailed natural hazards/climate change risks and prepare specific adaptation plans.	Short Term	\$ - Funded	TCC

¹⁷ The Dynamic Adaptive Policy Pathways (DAPP) approach develops a series of actions over time (pathways). It is based on the idea of making decisions as conditions change, before severe damage occurs, and as existing policies and decisions prove no longer fit for purpose. (Source: Auckland Council website)

	Actions and programmes of work	Proposed timeframes	Indicative cost	Who
37	Further develop the Western Corridor (Tauriko, Te Papa peninsula, through to Mount Maunganui) as a potential rapid public and alternative transport route.	Immediate	\$\$\$\$ - Partially funded	TCC, Partners and Developers
38	Complete existing urban transformation projects to enable improvements to the likes of housing choice and efficient transport options resulting in healthy and connected communities.	Immediate	\$\$\$\$ - Funded	TCC
39	Explore further options to incentivise sustainable buildings.	Short term	\$ - Staff time initially	TCC
	CC Led Actions (not currently prioritised)			
Infrasti				
40	Identify how whole-of-life emissions of TCC infrastructure can be reduced through minimising the embodied carbon (the amount of carbon emitted during construction) of buildings and infrastructure, investigating low carbon building materials and where to use them best, demonstrating how assets will be adaptable to climate change, and demonstrating flexibility to suit multiple needs/purposes.	Short term	\$ - Unfunded	TCC
41	Convert the remaining 120 bespoke streetlights to complete the LED streetlight project.	Medium term	\$\$ - Unfunded	TCC
42	Implement a streetlight dimming programme.	Short term	\$ - Unfunded	TCC
Water	and wastewater		,	
43	Establish a tool to help assess whole of life emissions from three waters infrastructure at early asset planning and concept design stage.	Immediate	\$\$ - Unfunded	TCC
44	Develop a business case to invest in recuperative thickening on Chapel Street wastewater treatment plant to reduce waste and increase capture of methane.	Short term	\$\$\$ - Unfunded	TCC
45	Undertake onsite emissions measurement of the wastewater treatment plants to facilitate clearer actions to improve process efficiencies and identify if and where further investment can reduce emissions.	Short term	\$\$ - Unfunded	TCC
46	Conduct energy audits for TCC owned or partially owned facilities and assess renewable energy generation and use on water and wastewater assets.	Short term	\$\$\$ - Unfunded	TCC

22

D. Oranga Tangata People and Communities

Aspiration: Our communities understand climate change, are low-emission and climate resilient

Tauranga toi moana, Tauranga toi tangata – a resilient and healthy waterway, breeds a resilient and healthy people – the symbiosis of people and natural environment are how we remain informed in this relationship, and how we maintain and perpetuate each other's health.

	Outcomes				
Tauranga City values	TCC support our	Our communities	Tauranga City's		
environmental protection	communities to connect and	contribute to a circular	people are		
and restoration. TCC and	enhance social cohesion,	economy, including	healthy, use our		
our communities work	cultural diversity and	resource efficiency and	open spaces, and		
together to develop a low	community engagement.	environmental	grow their own		
carbon and resilient city.		restoration.	food.		

Contributions from others: Communities will need to plan for their local risks and display kotahitanga (togetherness, unity, common thinking) and whakapapa (genealogical connections). To build a culture of resource and energy efficiency, local carbon behaviours and embedding adaptation will need all of Tauranga to act as climate champions. Through collaborating with different groups, community, disabled persons and interest groups, marae, faith groups and through schools, Tauranga City can develop collective understanding and action. Appendix 3 sets out actions that individuals and community can take.

Central government will need to support communities to be resilient to climate impacts. Key objectives in the NAP include providing data, tools, and frameworks to help with better informed decision making. Central Government has a role in supporting vulnerable communities, supporting when populations are disrupted or displaced by climate risks and having a resilient health sector to support those impacted by climate change.

The ERP notes that local government has an important role to play in engaging with communities and driving behaviour change to meet emissions reduction goals. The ERP also acknowledges that local government will require support and guidance from central government to build capacity and capability, including the provision of tools to enact change.

	Actions and programmes of work	Proposed timeframes	Indicative cost	Who
Priorit	ty Actions			
47	Undertake a climate change risk and impact assessment for vulnerable communities and develop adaptation plans for high-risk areas (a drill-down from action 1).	Immediate	\$\$ - Funded	TCC, Iwi and other community groups
48	Support (through grant funding and other methods) community groups and networks to drive low carbon and adaptation initiatives.	Short-term	\$\$\$ - Partially funded	TCC
49	Create a programme of community events to advocate low carbon and resilient behaviours.	Immediate	\$\$ - Partially funded	TCC in conjunction with BoPRC, Envirohub and other community groups
50	Develop behaviour change and communication programmes to outline steps TCC is taking to reduce emissions, provide education programmes within schools, and introduce tools to help the community on their own climate journey.	Short-term	\$ - Funded	TCC, FutureFit
51	Enable better risk-informed decision-making by individuals by continuing to advise land risk information to the community and by addressing gaps in natural hazard modelling.	Immediate	\$ - Funded	TCC
52	Build adaptive capacity in our communities by fostering community networks, partnerships and healthy living initiatives.	Medium term	\$ - Unfunded (Action 48 funded)	TCC
53	Explore options for reducing the vulnerability of the community and iwi through advice and identifying funding opportunities on disaster response and climate adaptation.	Immediate	\$ - Funded	TCC, Mana Whenua
54	Support community and iwi-led adaptation planning through funding (see action 48), access to hazard/exposure information (and relevant guidance such as national adaptation toolkits, etc) and exploration of further support needed.	Medium-term	\$\$ - Partially funded	TCC
55	TCC to coordinate and partner with Te Whatu Ora to take a 'health in all policies' approach to maximise the co-benefits of climate action on health and wellbeing outcomes and vice versa.	Immediate	\$\$ - Funded	TCC, Te Whatu Ora

24

	Actions and programmes of work	Proposed timeframes	Indicative cost	Who
56	Provide funding to the implementation of Mana Kai Mana Ora – WBoP Food Sovereignty & Food Security Plan to help communities establish community gardens and community pantries as well as exploring other actions such as planter boxes to encourage and educate around growing food. As appropriate help Mana Kai Mana Ora to explore additional external funding sources and resources.	Short-term	\$\$ - Partially funded	TCC, other agencies
Other T	CC Led Actions (not currently prioritised)		_	
57	Explore the potential benefits of creating a digital replica of Tauranga City to help TCC and communities understand the risks of climate change and determine the most effective measures to address risk.	Short-term	\$\$\$ - Unfunded	Local govt, iwi, stakeholder s
58	Link climate change to life empowerment programmes (such as housing schemes, skills development, and employment creation) in a way that strengthens the ability to adapt and withstand the impacts of climate change.	Short-term	\$ - Unfunded	TCC, other agencies
Other T	auranga City-Wide Actions			
59	Develop an understanding of potential consequences of climate migration for Tauranga City and assess the readiness of Tauranga to allow for incoming climate migrants.	Long term	\$ - Unfunded	TCC, Pasifika in the Bay, Ministry of Foreign Affairs and Trade, Ministry for Pacific Peoples

25

E. Business - Whairawa

Aspiration: Low-emissions and resilient businesses thrive in a circular economy.

Tauranga tukurua, tukutahi – Bountiful Tauranga, together – *this speaks of Tauranga's collective potential to lead and thrive in a circular economy with minimal environmental impact.*

Outcomes			
Low emission and circular business models thrive, providing environmental outcomes for Tauranga City.	Tauranga City's businesses innovate and are competitive in local, national, and international markets.	Consumers value local businesses that support our community with local food, goods, and services.	Tauranga City's supply chains are resilient and low carbon.

Contribution from others: TCC will investigate and promote circular economy and sustainable business opportunities to drive innovation. TCC will work with Priority One18 (and other business sector groups) to support improved circularity and resilience, carbon reduction, and adaptation planning. Central government has also signalled through the ERP actions that achieve wider benefits, such as moving from a linear to a circular economy and development of the bioeconomy¹⁹.

The NAP outlines central government objectives to support sectors, businesses, and regional economies to adapt. Critical actions for central government include delivery of the NZ Freight and Supply Chain strategy (by 2028) and continuing to deliver the Sustainable Food and Fibre Futures Fund out to 2028.

Regionally, Priority One has developed four key themes to support local business these include: Transport; Waste; Energy; and Land. These themes focus on areas where significant educational benefits, or emissions and waste reductions can be achieved. Each theme has targeted projects that are connected locally and nationally (where appropriate) like the EECA Regional Energy Transition Accelerator.

 $^{^{18}}$ Priority One is the Western Bay of Plenty's economic development organisation, established in 2001 by the Tauranga and Western BOP business community in partnership with TCC and WBOPDC

¹⁹ A circular economy reduces material use, redesigns materials, products and services to be less resource intensive, and recaptures 'waste' as a resource to manufacture new materials and products rather than being driven solely by generation of profit. A bioeconomy means reusing biological resources from land and sea to produce food, materials and energy.

	Actions and programmes of work	Proposed timeframes	Indicative cost	Who
Priori	ty Actions			
60	Develop business support programmes for carbon reduction and climate adaptation.	Immediate	\$ Funded (Priority One)	TCC, Priority One and business groups
61	Stocktake circular economies in Bay of Plenty and identify gaps and opportunities for collaboration across the region.	Immediate	\$- Funded	TCC, Priority One and business groups
62	 Education and events to help build awareness, capability, and engagement with strategic projects. Project specific workshops and events to build business capability. Project specific research reports. Industry collaboration to support the development of regional roadmaps. Implement a Learning Management System to increase the scale of education within regional businesses. 	Immediate	\$ Funded (Priority One)	TCC, Priority One, business groups and central government
63	Transport – mode shift – project to educate audiences around mode shift and encourage alternative modes of transport through a collaboration with local businesses and councils. Delivered through a pop-up hub to showcase 'mode shift' via micro-mobility innovations and associated infrastructure that are accessible now, to influence large impact and safe multi-modal behaviour shift across communities in the region.	Immediate	\$ Funded (Priority One / Partner sponsorships)	TCC, WBOPDC, BOPRC, Priority One and business groups
64	Transport - Hydrogen X - development of a consortium of companies to develop and implement a Hydrogen fuel strategy for heavy vehicle transport adoption for Tauranga.	Immediate	\$ Funded (Priority One) \$\$\$ Government	TCC, Priority One, business groups and central government
65	Waste - Circular Economy Project (CEP) – TCC to continue investigation, in partnership with BOPRC and WBOPDC, around opportunities to develop circular approaches to waste for three key sectors: • Construction and Demolition.	Immediate	\$ Funded (TCC,	TCC, WBOPDC, BOPRC,

	Actions and programmes of work	Proposed	Indicative	Who
		timeframes	cost	
	Healthcare.		WBOPDC,	Priority One
	Food and Beverage manufacturing.		BOPRC)	and business
	This project will allow all councils to better understand future waste infrastructure needs for the			groups
	sub-region and build a baseline of the present and future needs to develop greater circularity in WBOP.			
66	Energy - Regional Energy Transition Accelerator (RETA).	Immediate	\$ Funded	Priority One,
	The RETA programme involves working across medium and large energy users and those who		(Priority One,	business
	supply energy to reduce the carbon footprint of industrial processes. Supporting the WBOP region		BOPRC,	groups and
	to inform the EECA (Energy Efficiency and Conservation Authority) RETA BOP programme to drive		EECA)	central
	carbon reductions through decarbonisation projects that enable industry to switch fossil fuel			government
	operations.			
	High quality information gathering.			
	Connecting to GIDI (Government Investment in Decarbonising Industry) Fund and a regional			
	decarbonisation roadmap for industrial process heat users.			
67	Explore developments such as Rangiuru Business Park and the CBD Blueprint which present	Immediate	\$ Funded	TCC, Priority
	opportunities to apply circular economy and decarbonisation principles to our region, and also		(Priority	One, business
	explore the opportunity to link Te Ao Māori principles under Land Use and Built Environment.		One)	groups and
			\$ Unfunded	central
				government
Othe	Tauranga City-Wide Actions			
68	Communicate resources and provide support for businesses to baseline their greenhouse gas	Immediate	\$ Funded	TCC, Priority
	footprint, set emission targets, and develop carbon reduction roadmaps.		(Priority	One, Local
			One)	Businesses

F. Oranga Taiao

Natural Environment

Aspiration: Healthy ecosystem services that mitigate the impacts of weather- and climate-related hazards and lower emissions.

Tauranga tū moana, ākinga hau, ākinga tai – Tauranga staunch against dangers, weather and tides – *Tauranga history retells of the resilience of the natural landscape and waterways, so much so Māori cultivated knowledge systems because of the inherent corpus within the environment.*

Outcomes					
Tauranga City's natural	Urban environments	TCC contribute to the	Tauranga City		
environment	enhance biodiversity and	regeneration of our native	considers the water		
flourishes providing a	improve the health and	wetlands and plantings.	cycle holistically to		
carbon sink and	wellbeing of our people		minimise impacts on		
natural resilience.	and communities.		the environment and		
			increase our resilience		
			to climate change.		

Contribution from others: Both the NAP and ERP outline the importance of working with nature to build resilience and reduce emissions. Crown entities have a role in enhancing biodiversity and reducing biosecurity risks and Central Government sets national policy around freshwater management and carbon sequestration. The Bay of Plenty Regional Council also plays a key role in protecting and enhancing natural environments.

Nature and Biodiversity Action and Investment Plan:

A number of actions under this theme (Natural Environment) will primarily be delivered under TCC's Nature and Biodiversity Action and Investment Plan, which has been developed at the same time as the Climate AIP. However, actions which are weighted towards achieving climate change action are listed below.

	Actions and programmes of work	Proposed timeframes	Indicative cost	Who
Prio	rity Actions			
69	Work with BOPRC to promote the assessment of the carbon sink potential of the Tauranga harbour that improves biodiversity and carbon capture (blue carbon).	Short term	\$ - Partially funded	BOPRC led, academia and Partners
70	Increase the utilisation of publicly owned land for Nature Based Solutions such as enhancing existing, and creating new, wetlands.	Short term	\$ - Funded (Staff time)	TCC
Othe	er TCC Led Actions			
71	Review open spaces, wetlands and plantings in the city through the lens of carbon capture, adaptation, resilience and environmental services (re-evaluation could protect wetlands, soils, and open spaces, and lead to discussions about the future needs of the city in regard to climate change).	Medium term	\$ - Unfunded	TCC
Rele	vant actions in other Action & Investment Plans (Priority actions – Funded)			
1	Review and investigate potential updates the City Plan to include objectives, policies and rules to: • Give effect to the NPS-IB once gazetted to increase indigenous vegetation cover. • Identify Ecological Linkage Opportunities on the planning maps and requirements to restore indigenous vegetation in these areas (e.g. in riparian margins). • Provide incentives to retire or plant land not suitable for development. Update City Plan maps to include a new overlay for Ecological Linkage Opportunities in areas identified in the Ecological Connectivity Plan (to be developed, refer action 13).	See Nature & Biod	iversity AIP.	
2	Increase overall canopy cover equitably across city, including along street corridors, ideally in line with the 3:30:300 rule (regardless of whether native or exotic).	See Nature & Biodiversity AIP.		
3	Pursue accreditation for Tauranga under the Biophilic Cities Partnership, and potentially as a Tree City of the World.	See Nature & Biodiversity AIP.		
4	Implement wider restoration of areas identified in the Ecological Connectivity Plan (to be developed, refer action 15), commencing with restoration and planting outlined in Reserve Restoration Plans and Landscape Concept Plans and prioritising neighbourhoods where there is currently less urban cover.	See Nature & Biod	iversity AIP.	

	Actions and programmes of work	Proposed timeframes	Indicative cost	Who
5	Collaborate with BOPRC to undertake a detailed assessment of the impact of climate change on natural ecosystems within Tauranga and prepare an adaptation plan for priority risks of ecosystems on public land. Taking a staged approach, focusing on Special Ecological Areas first. Note: to protect ecosystems themselves from climate change: assessment, then developing GIS maps (3 yearly consultancy report & maps).	See Nature & Biodiversity AIP.		
10	Assess the Vegetation and Tree policy 2014 to establish if a refresh/review is required and ensure it takes into account how it can contribute to reducing the urban heat island effect.	See Nature & Biodiversity AIP.		
11	Develop and implement a vegetation monitoring framework and programme with spatial monitoring and ground truthing to ascertain current urban forest cover (native, exotic or mixed) across the whole city and track changes over time.	See Nature & Biodiversity AIP.		
12	Consider innovative ways to incentivise developers to provide green outcomes and integrate biophilic principles in their developments.	See Nature & Biodiversity AIP.		
13	Review the Infrastructure Development Code (IDC) and Urban Design Guidelines to align with City Plan update/plan change and: Require more space for trees to mature within developments. Include biophilic principles.	See Nature & Biod	diversity AIP.	
15	 Develop an Ecological Connectivity Plan for Tauranga, covering both public and private land, to: identify locations of existing taonga (treasures) or threatened flora and fauna species, places of importance to mana whenua, areas where groups are active, and identify potential routes and methods to improve connections between, and ecological values of, these areas while also providing equitable access to nature. Use the Ecological Connectivity Plan for Tauranga to inform areas to be identified in new Ecological Linkages Overlay in the City Plan. 	See Nature & Biod	diversity AIP.	

5. Te mana whakaere me ōna whakaritenga Governance, review, and monitoring

Roles and responsibilities

Governance - The <u>Group Manager: Infrastructure</u> has overall responsibility for managing and delivering on this plan over time.

Process – Council's <u>Corporate Planning team</u> is responsible for managing review, monitoring and reporting processes associated with this Plan.

Content – Council's <u>Sustainability & Waste team</u> is responsible for undertaking updates to the Plan and coordinating other contributors to the review. Specific Council teams, as identified in the monitoring table below, are responsible for providing monitoring content as required.

Review

This plan will be reviewed every three years prior to developing the draft Long-term Plan.

Monitoring

Progress monitoring and reporting will be done annually. This will include an actions status update as well as overall progress towards the aspirations of the plan, informed by the measures of success identified in the following section of this plan.

6. Ngā pae o angitū Measures of Success

An early assessment of measures across each category is set out in the table below. The action tables above (under Leadership) also include commitments to review our measures and obtain additional information as required, including developing measures aligned with matauranga Māori.

Success looks like	Measures	Responsible TCC team
Leadership	Report on progress against implemented actions and collate key indicators/measures:	Sustainability &
	 Percentage of immediate actions underway or completed by Dec 2023. 	Waste.
	 Percentage of short term actions underway or completed by Dec 2025. 	
	 Percentage of medium term actions that have a clear programme / plan for completion by Dec 2024. 	
	Two yearly assessments of GHG emissions:	Sustainability &
	Tauranga City wide community footprint.	Waste.
	TCC operational and embodied emissions.	
	Value of TCC assets that have been assessed against climate risk and natural hazards during the past 5 years.	Sustainability & Waste.
	Value of TCC assets at risk that have adaptation measures in place.	Sustainability & Waste.
	Percentage of projects over \$1m that consider climate change impacts in Project Charter.	Sustainability & Waste.
	Total value of contracts using Broader Outcomes targets in procurement.	Sustainability & Waste / Procurement.
Transport	Tauranga City vehicle VKT by private car, light commercial and heavy commercial vehicles.	Transport.
	Number of/ percentage of households within 400m of a public transport service stop with a service at least every 30 mins during peak times.	Transport.
	Percentage active travel as a percentage of total passenger travel (Pkm or trips TBC).	Transport.
	Measure public attitudes to Public Transport (BoPRC LTP performance measure re bus patronage satisfaction).	Transport / BoPRC.
	Percentage of public transport trips to estimated total trips.	Transport.
	Proportion of public transport network to total transport network (kms).	Transport.
	Increase in Tauranga City vehicle VKT by electric vehicle.	Transport.

33

Success	Measures	Responsible TCC team
looks like		
	Percentage development through intensification and % development on green field sites.	City Planning & Growth.
	Percentage of houses/buildings in a mapped natural hazard area.	City Planning & Growth.
	Reduction in waste in line with targets in Waste Management and Minimisation Plan 2022-2028 (including improvement in recycling of construction and demolition waste).	Sustainability & Waste.
	Water consumption per Capita percentage leakage from network.	Waters.
Community	Percentage of people or groups engaged with climate change actions based on the Quality of Life survey.	Strategy & Growth.
	Number of hapū and iwi management plans incorporating climate change considerations.	Sustainability & Waste.
	Number of people using Future Fit to measure their personal carbon footprints.	Sustainability & Waste.
	Number of climate action or climate adaptation events.	Sustainability & Waste.
	Funds invested into community led climate change projects or initiatives.	Sustainability & Waste.
Business	Number of businesses actively implementing new climate actions including -	Sustainability & Waste
	 Emissions reduction plan - measuring CO₂ footprint to standard with emissions reduction targets. Waste reduction processes - measure waste footprints of businesses. Mode shift change. 	/ Priority One.
Nature and	Measures from Nature & Biodiversity Action & Investment Plan -	Spaces & Places /
Biodiversity	 The proportion of native vegetation cover in urban areas and across the city. The connectedness of vegetation. The proportion of vegetation canopy cover and its distribution by neighbourhood. New developments incorporate biophilic principles in their designs. 	Environmental Planning.

Appendix 1 – Te Taiao and Te Reo Māori glossary

The concept of Te Taiao (environment) refers to the way people live in communities with respect for their wider environment. The notion encompasses an understanding of climate change and its effects on collective outcomes.

Kupu (Word)	Perspective	Outcome	TCC Te Ao Māori Framework perspective
Āhuarangi — Te rangiwhāwhātanga ā- āhuarangi, me ōna hurihanga i roto i ngā marama o te tau.	Climate over time and the changes experienced through seasons and macro changes.	Understand better the relationship that we, Māori and Pākehā, have with Te Taiao the land, water and āhuarangi (climate) and how communities thrive within.	N/A
Whenua – Ki tā te Māori, ko te whenua te ewe o Papatūānuku, te orokohanga hoki o Ngā Atua Māori	From a Māori perspective the whenua is the placenta of Papatūānuku (Earth mother, from whom all living things originate) and the birth of Ngā Atua Māori (The Māori Gods of the natural world).	10/9	Built into the concepts within Kaitiakitanga as a focus and other values underneath that.
Wai - Te wai, he toto. Inarā, ko ngā roimata a Ranginui rāua ko Papatūānuku hei tangi i tō rāua wehenga.	The water, the earthly lifeblood. Specifically the tears of both Ranginui (Atua of the sky and husband of Papatūānuku, from which union originate all living things) and Papatūānuku in lamenting their separation.		Built into the concepts within Kaitiakitanga as a focus and other values underneath that.
Koiora – Ngā kohikohinga o ngā kaiao katoa	Communities and grouping of all living things.	Analogous to human collections such as cities, towns and villages and the recognition that we are all in the same boat and journeying in the same direction.	

35

Glossary of other Te Reo Māori terms used in document

Ahi-ka	People of the home.	
Ahurutanga/haumarutanga	A strong duty of care and safety for our people.	
Нарū	Subtribe, large natural grouping.	
lwi	Tribal affiliation.	
Kaitiaki	Guardian, environmental protector.	
Kaitiakitanga**	Environmental protection, stewardship.	
Kaupapa	Central purpose.	
Korero	Narratives.	
Kotahitanga	Togetherness, unity, common thinking.	
Mana Motuhake	Capacity to be responsive, responsible and authoritative.	
Mana whenua	Authority or rights over land or territory, jurisdiction over	
	land or territory.	
Manaakitanga**	Generosity, support.	
Māramataka	Māori lunar calendar.	
Marae	Māori community meeting places.	
Matauranga Māori	Māori worldview.	
Mauri	Life principle, life force.	
Ngā Atua Māori	The Māori Gods of the natural world.	
Pākehā	New Zealander of European descent.	
Papakāinga	Home base, village, communal Māori land.	
Papatūānuku	Earth Mother, whom all living things originate.	
Purākau	Stories.	
Rangatahi	Youth.	
Ranginui	Atua of the sky and husband of Papatūānuku, from which	
	union originate all living things.	
Rangatiratanga**	Right to exercise authority, chiefly autonomy.	
Tangata Whenua	Native inhabitants, indigenous.	
Tauranga Moana	The greater Tauranga area.	
Tauutuutu	Reciprocity.	
Te ao Māori	The Māori worldview.	
Te Rangapū Mana Whenua o	An autonomous body made up of 17 representatives from	
Tauranga Moana Partnership	each of the hapū and iwi in the Tauranga City Council area.	
Te Reo Māori	Māori language.	
Te Toka a Tirikawa	North Rock.	
Tikanga**	Best practice.	
Toa	Warrior.	
Tohunga	Expert.	
Tumanako	Aspirations, hopes	
Urupā	Burial ground	
Wairautanga	Spirituality	
Whanaungatanga**	Kinship, common connections	
Whakapapa	Ancestry, genealogy, lineage, descent or connection	
Whakataukī	Proverb or significant saying,	

^{**} represent Our Values (Te Rangapū values adopted by TCC)

<u>Appendix 2 – Further Mitigation and Adaptation context</u>

Greenhouse gas emissions

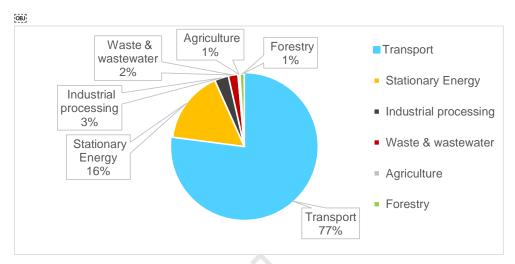


Figure 1. Tauranga City Carbon (Greenhouse Gases) footprint for FY21 - modified to use granular road transport information from the Transport System Plan (TSP²⁰).

In the 2020/2021 financial year Tauranga City generated around 1,600,000 tonnes of carbon dioxide equivalent (tCO_2e). This represents approximately 2% of the national greenhouse gas footprint.

Over 75% of the footprint comes from transport emissions. For the first time, marine

freight emissions were included (emissions from ships as they travel between the Port of Tauranga and other ports, both domestically and internationally) and equated to about half of the transport emissions.

Stationary energy was the second largest emissions sector, this accounts for the generation of electricity for use by industry, businesses and households and in the direct production of industrial heat.

Transport as a major emissions source for Tauranga has been a focus for TCC in recent years. Through projects like Smart Growth and the Urban Form & Transport Initiative, a transport model has been created and validated²¹ for the western Bay of Plenty sub-region. The



transport modelling provides more specific information on the purpose and how people and things move around Tauranga City (Vehicle Kilometres Travelled by different vehicle types). This work has been done collectively with Western Bay of Plenty District Council, Bay of Plenty Regional Council and Waka Kotahi. Using this method provides more granular information to better inform transport

²⁰ The TSP modelling assesses what type of vehicles are on the road and why they are travelling. The city-wide community footprint assesses emissions based on fuel sales in the city and cannot explain if that fuel is combusted in the region and by what vehicles. The TSP information once apportioned per capita between Tauranga and Western Bay is slightly higher than the fuel sales-based method.

²¹ Validation involves populating the model with current and historical data and assessing the modelled outputs against observed on-the-ground outcomes.

decision making, however the transport emissions cannot be easily split between district and city boundaries, this has been estimated using population weighting from the two areas. This modelling has supported the development of the **Tauranga City transport emissions tool** to estimate the emission implications of different transport projects and proposals, and the mix of outcomes needed to reduce travel demand and emissions, such as mode shift to public transport and active modes or electrification of the fleet.

The transport emissions tool has demonstrated that reaching government targets for emissions reductions by 2035 will require all practicable interventions to occur, and that council has limited influence over those interventions having the greatest impact. The key findings from the transport emissions tool are that:

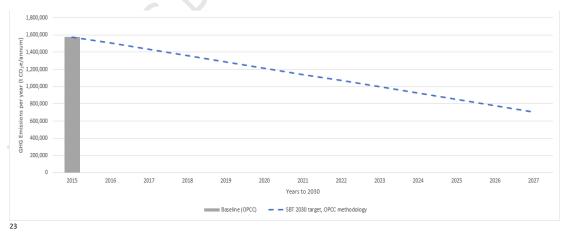
- Increased working from home has very little impact on emissions reduction.
- While significant mode shift (including 15% bus kilometres travelled, up from a base of 1.3% in 2018) will reduce vehicle kilometres travelled²², it has limited impact on emissions.
- Improved technology (e.g. electric vehicle uptake; improved fuel efficiency) supports a considerable reduction in emissions (but not in vehicle kilometres travelled).

Further information about the transport emissions tool can be found in a report to Council's Strategy, Finance & Risk Committee on 3 October 2022 and available here on Council's website.

Calculation of science-based target

In order to explore a secience-based target we have followed the WWF One Planet City Challenge ("OPCC") methodology.

As illustrated in the chart below, following the OPCC methodology would result in a target of 55.2% reduction in emissions across the city by 2030, from a 2018 baseline.



 $^{^{\}rm 22}$ A separate government target within the National Policy Statement on Urban Development

²³ Based on using the data from the Tauranga Community Carbon Footprint report (excluding biogenic emissions from biofuels as per the Community Carbon footprint total) for all emissions sources except road transport which has used a per capita apportionment of travel demand from the Transport System Plan (TSP) modelling. All effort has been made to interpret the Community Carbon Footprint data accurately, however in some cases there is a lack of transparency. Further work may be needed to finalise the baseline for each method.

Future emissions modelling compared to the science-based target

Through the development of this plan, we also sought to understand the potential gap between the initial science-based target and a realistic reduction in future emissions. To identify potential future emissions we modelled four key scenarios related to two major variables: the inclusion or otherwise of population growth, and the inclusion or otherwise of emissions from marine freight.

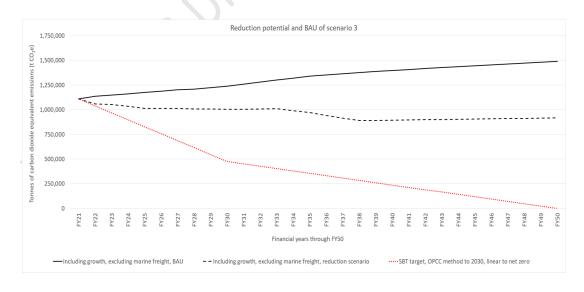
		Marine Freight emissions		
		Included	Excluded	
Population growth	Included	Scenario 1	Scenario 3	
	Excluded	Scenario 2	Scenario 4	

For modelling purposes, Scenario 3 was selected as being most relevant to Tauranga's circumstances.

- Population growth is assumed and should be included (though due to the limited, projected, and conservative nature of the modelling, scenarios with growth are likely to over-estimate business as usual emissions).
- Marine freight emissions make up a significant proportion of the city's and region's carbon footprint but because there is limited local control on these emissions and because there is no internationally or nationally agreed methodology to fairly allocate those emissions, they have been excluded. ²⁴

The chart below illustrates the **significant gap** between:

- The ideal goal represented by the initial science-based target (amended for the removal of marine freight emissions) extrapolated out to 'net zero by 2050', and
- The modelled potential emissions reductions for the city.



²⁴ In undertaking the modelling, assumptions relating to road transport demand and emissions (the largest source of Tauranga's emissions) are consistent with the transport emissions modelling that underpins the Transport System Plan (TSP). This includes better and more granular information than the Tauranga Community Carbon Footprint data.

The difference between the business-as-usual situation (the solid black line) and the modelled reduction scenario (the dotted black line) includes the following key assumptions²⁵:

- Working from home increases by an additional 20% of potential in 2030, 50% of potential in 2035 and 75% of potential in 2050 (estimated at around 15% of the workforce beyond those currently WFH) from 2018 levels.
- Vehicle occupancy increases from an average of 1.225 people per vehicle in 2018 to 1.325 people per vehicle by 2050.
- Modal shift changes of:

Mode	2018	2030	2035	2050
Private car.	81%	68%	58%	42%
Light commercial vehicle.	16.5%	16%	17%	18%
Bus.	1.3%	10%	15%	20%
Cycle.	0.6%	3%	5%	10%
Walk.	0.8%	3%	5%	10%

- Electric and hybrid vehicles increase to 30% of the fleet by 2035.
- The regional bus fleet converts to 100% electric by 2035.
- A 35% shift of freight from road to rail by 2035 and 50% by 2050.
- Electric and hydrogen freight vehicles increase to 35% of the freight fleet by 2035 and 55% of the freight fleet by 2050.
- Biofuels to make up 10% of all fuel used as per the (now removed) biofuel mandate.
- Greening of the national electricity grid to 97% renewable by 2035 in line with the Climate Change Commission's advice to government.

Natural Hazards Resilience project

Through the Tauranga City Natural Hazards Resilience Project, TCC understand the risks to some key infrastructure including Tauranga City's three waters network 'critical assets', transportation network and selected bridges. Some projects to increase the resilience of high-risk infrastructure have already been factored into the 2024 LTP. Further work is needed to develop a broad understanding of climate change impacts on social vulnerabilities, the natural environment and the economy of Tauranga.

In 2020 Council undertook a consolidated assessment²⁶ of the impact of a number of natural hazards, many of which are exacerbated by climate change. While the city is constantly growing and changing, the potential scale of impacts of the modelled natural hazards is likely to remain of a similar magnitude.

²⁵ The transport-related assumptions are consistent with the Transport Emissions Projection Tool presented to Council's Strategy, Finance & Risk Committee on 3 October, 2022

²⁶ Tauranga City-wide Natural Hazards Risk Assessment, Tonkin & Taylor, April 2020

The table below presents a summary of the results of the city-wide risk assessment.

Hazard	Current climate	Future climate
Coastal inundation	High risk	High risk
Coastal erosion – inner harbour	Medium risk	High risk
Coastal erosion – open coast	Low risk	Medium risk
Tsunami	Medium risk	High risk
High groundwater	Medium risk	High risk
Liquefaction and lateral spread	High risk	High risk
Slope instability	Low risk	n/a

Appendix 3 – Personal actions that individuals and businesses can take

There is a significant amount of information available about the individual steps and actions that people, households, and businesses can take to reduce emissions and become climate leaders. The following are some ideas, there are many more:

- Understand your own carbon footprint by using an online tool like FutureFit
- Reduce your energy emissions (and often your energy bills) by:
 - o Turning power off when appliances or lights are not needed
 - o Purchasing low-energy appliances when the time comes to renew
 - o Insulating your home to reduce heating or cooling costs
 - o Opening the windows to cool a house rather than using air conditioning
 - Switching from gas to electricity
 - o Installing solar panels
 - Switching to LED lighting and installing occupancy sensors
 - Changing the HVAC (Heating, Ventilation and Air Conditioning) set temperature points based on the season.
 - o Double glazing the windows to reduce the extra solar gains/HVAC load
 - o Regularly maintaining HVAC and other space heating or cooling equipment
 - o Having smart meters to access real time data and reduce unnecessary usage
 - o Using conventional drying techniques rather than using an electric dryer
 - o Encouraging your household to take shorter showers
 - o Ensuring your hot water cylinder and pipes are insulated
 - o Installing a solar-powered hot water system
 - Washing your clothes in cold water
- Reduce your waste to landfill by:
 - o Purchasing less think before you buy
 - o Repairing or reusing items where you can, instead of upgrading to new items
 - o Hiring or borrowing tools that you only need occasionally
 - o Buying second-hand and thoughtfully re-homing belongings you no longer need
 - Using your own reusable shopping bags and fruit/vegetable bags
 - o Using reusable drinking bottles and cups, reducing single-use items
 - Reducing food waste
 - Composting food waste, or using the council-provided kerbside food-waste collection service
 - Using the council-provided kerbside recycling collection service
 - Signing up to the optional council-provided garden waste service
 - Using public recycling bins where available
 - Taking other recyclables to the Te Maunga transfer station
 - Avoiding unnecessary packaging, for instance by getting groceries from refill stores
- Reduce your transport emissions by:
 - Switching to more sustainable modes such as walking, cycling, scootering, using the bus, or car-pooling
 - o Purchasing an electric or hybrid-electric vehicle
 - Looking after your car checking tyre pressure, motor oil, and driving smoothly will help you use fuel more efficiently
 - Working from home
 - $\circ\quad$ Choosing not to fly where it's an option

- Food-shop sustainably by:
 - o Purchasing local and seasonal foods from a farmers' market, for instance
 - Growing your own fruit, vegetables and herbs (and sharing if you have an abundance)
 - Eating more plant-based meals
 - o Making the most of leftovers
 - o Supporting community organisations that collect and distribute unwanted foodstuffs
 - o Using your re-useable cup for takeaway coffee
- Clothes-shop sustainably by:
 - o Considering the origin and manufacture of the clothes you purchase
 - Avoiding 'fast fashion' try to get more mileage out of the clothes you buy
 - Buying second-hand
 - Donating your own quality used clothes to second-hand or charity stores rather than throwing them away
- Take part in climate conversations by:
 - Sharing your story about health, financial, and environmental benefits of climatefriendly actions to encourage others
 - Providing feedback to local, regional, and national decision-makers to share how you feel about climate change
 - Learning about climate change solutions by watching documentaries, reading news articles, listening to podcasts, and reading books
- Care for the natural environment by:
 - o Planting native trees on your property or in the community
 - Joining a community planting day
 - o Removing plant and animal pets from your property to care for local biodiversity
 - Conserving water all year round

Appendix 4 – Glossary and References

Term	Definition					
Adaptation	Adjustment to actual or expected climate and its effects.					
Adaptive capacity	The ability of systems, institutions, humans, and other organisms to adjust to potential damage, to take advantage of opportunities, or to respond to consequences (IPCC, 2014).					
Assets	'Things of value', which may be exposed or vulnerable to a hazard or risk. Physical, environmental, cultural, or financial/economic element that has tangible, intrinsic or spiritual value (see Taonga) (Ministry for the Environment, 2019).					
Biodiversity	The variability among living organisms from terrestrial, marine, and other ecosystems. Biodiversity includes variability at the genetic, species, and ecosystem levels (IPCC, 2014).					
Capital	Capital can be defined as tangible and intangible items that are highly valued. Four capitals are defined by the treasury's Living Standards Framework. These are natural, human, social, and financial/physical.					
Cascading effects (of climate change)	Effects that flow on from a primary hazard, to compound and affect other systems in a dynamic sequence.					
Climate	Usually defined as the average Weather, or more rigorously, as the statistical description in terms of the mean and variability of relevant quantities over a period of time ranging from months to thousands or millions of years. The classical period for averaging these variables is 30 years, as defined by the World Meteorological Organization. The relevant quantities are most often surface variables such as temperature, precipitation and wind. Climate in a wider sense is the state, including a statistical description, of the climate system (IPCC, 2014).					
Climate change	A change in the state of the climate that can be identified (eg, through statistical tests) by changes or trends in the mean or the variability of its properties, and that persists for an extended period, typically decades to centuries. Climate change includes natural internal climate processes or external climate forces such as variations in solar cycles, volcanic eruptions, and persistent anthropogenic changes in the composition of the atmosphere or in land use (IPCC, 2014).					
Consequence	The outcome of an event that may result from a hazard. It can be expressed quantitatively (eg, units of damage or loss, disruption period, monetary value of impacts or environmental effect), semi-quantitatively by category (eg, high, medium, low level of impact) or qualitatively (a description of the impacts) (adapted from Ministry of Civil Defence & Emergency Management, 2019).					
Disaster	Severe alterations in the normal functioning of a community or a society due to hazardous physical events interacting with vulnerable social conditions, leading to widespread adverse human, material, economic, or environmental effects that require immediate emergency response to					

44

Term	Definition			
	satisfy critical human needs and that may require external support for recovery (IPCC, 2014).			
Driver	An aspect that changes a system. Drivers can be short term but are mainly long term in their effects. Changes in both the climate system and socioeconomic processes including adaptation and mitigation are drivers of hazards, exposure, and vulnerability. (MfE, 2019).			
Elements at risk	People, values, taonga, species, sectors, assets etc that are potentially vulnerable to climate change impacts.			
Emissions	The production and discharge of substances that are potentially radiatively active (ie, absorb and emit radiant energy) in the atmosphere (eg, greenhouse gases, aerosols) (MfE, 2019).			
Exposure	The presence of people, livelihoods, species or ecosystems, environmental functions, services, and resources, infrastructure, or economic, social, or cultural assets in places and settings that could be adversely affected by a change in external stresses that a system is exposed to. (IPCC, 2007).			
Extreme Weather event	An event that is rare at a particular place and time of year. Definitions of rare vary, but an extreme weather event would normally be as rare as or rarer than the 10 th or 90 th percentile of a probability density function estimated from observations. By definition, the characteristics of what is called extreme weather may vary from place to place. When a pattern of extreme weather persists for some time, such as a season, it may be classed as an extreme climate event, especially if it yields an average or total that is itself extreme (eg, drought or heavy rainfall over a season) (IPCC, 2014).			
Frequency	The number or rate of occurrences of hazards, usually over a particular period (MfE, 2019).			
Greenhouse gas (GHG)	Gaseous constituents of the atmosphere, both natural and anthropogenic, that absorb and emit radiation at specific wavelengths within the spectrum of thermal infrared radiation emitted by Earth's surface, the atmosphere itself, and by clouds. This property causes the greenhouse effect. Water vapour (H_2O), carbon dioxide (CO_2), nitrous oxide (N_2O), methane (CH_4), and ozone (O_3) are the primary greenhouse gases in Earth's atmosphere.			
Hazard	The potential occurrence of a natural or human-induced physical event or trend or physical impact that may cause loss of life, injury, or other health impacts, as well as damage and loss to property, infrastructure, livelihoods, service provision, ecosystems, and environmental resources (IPCC, 2014). Hazard usually refers not only to climate-related physical hazards (such as floods or heatwaves) but also to evolving trends or their gradual physical impacts (IPCC, 2014).			
Impacts (consequences, outcomes)	The effects on natural and human systems of extreme weather and climate events and of climate change. Impacts generally refer to effects on lives, livelihoods, health, ecosystems, economies, societies, cultures, services, and infrastructure due to the interaction of climate changes or hazardous			

Term	Definition
	climate events occurring within a specific time period and the vulnerability of an exposed society or system. (IPCC, 2014).
Land use	The arrangements, activities, and inputs made in a certain land-cover type (a set of human actions). Also relates to the social and economic purposes for which land is managed (eg, grazing, timber extraction, and conservation). (IPCC, 2014).
Mitigation	A human intervention to reduce the sources or enhance the sinks of greenhouse gases (IPCC, 2014).
Nature Based Solutions (NBS)	Working with nature in a way that meets some of the urgent challenges facing society (including climate change). NBS involves actions to protect, restore and manage ecosystems and their functions either alone, or in conjunction with engineered solutions and are particularly important in urban environments.
Resilience	The capacity of social, economic, and environmental systems to cope with a hazardous event, trend, or disturbance by responding or reorganising in ways that maintain their essential function, identity, and structure, while also maintaining the capacity for adaptation, learning, and transformation (IPCC, 2014).
Risk	The potential for consequences where something of value is at stake and where the outcome is uncertain, recognising the diversity of values. To address the evolving impacts of climate change, risk can also be defined as the interplay between hazards, exposure, and vulnerability (IPCC, 2014).
Sponge City	The sponge city concept involves extensive areas of wetlands and forests in an urban setting that in extreme rain events will soak up water, conversely during extended periods of drought they become a source of water)
Three waters	Drinking water, wastewater, and stormwater.
Transition	The move to a lower-carbon economy. In this plan, it also refers to transitions relating to equitable and resilient outcomes in the face of physical climate risks.
Vulnerability	The propensity or predisposition to be adversely affected. Vulnerability encompasses a variety of concepts and elements including sensitivity or susceptibility to harm and lack of capacity to cope and adapt (IPCC, 2014). Assessing vulnerability is broader than conventional risk assessments. It includes indirect and intangible consequences on the four wellbeings, and adaptiveness and adaptive capacity (e.g., communities, whānau, hapū, and iwi may be resourceful and adaptive, but may lack the resources, insurance access and mandate or capacity to adapt) (MfE, 2019).

11.5 Long-term Plan 2024 - 2034 Update

File Number: A14938754

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Authoriser: Paul Davidson, Chief Financial Officer

PURPOSE OF THE REPORT

1. The Purpose of this report is to summarise the LTP investment priorities and approach to LTP budgets for the 2024-34 Long-term Plan. High level draft budgets will be provided at the meeting and further amended following Council decisions on the 21 August 2023.

RECOMMENDATIONS

That the Council:

- (a) Receives the report developing LTP Budgets.
- (b) Receives tabled draft financials based on continuation of the strategic direction set in the 2021-31 LTP for both capital and operational expenditure, to be further amended as decisions are made by Council at this meeting.
- (c) Agrees to draft capital budgets for the LTP as summarised in Attachment A as the basis for LTP draft financials, and consultation which includes:
 - (i) updated projects from 2021-31 LTP with revisions to cost and timing
 - (ii) new projects and revised scope for projects from previous council decision or CE delegation for minor projects.
- (d) Agrees to include the following funding decisions with respect to operational costs:
 - (i) the phasing in of funding of depreciation across activities of council and CCOs through the period of the LTP and other approaches to manage depreciation reserves back into balance
 - (ii) increasing debt retirement of unfunded liability and weathertight reserve deficits after year 3 of the long term plan
 - (iii) phasing further rates funding to the risk reserve over the period of the LTP
 - (iv) Renaming of the stormwater reserve to flood control reserve to remain with TCC in the new Flood Control activity after movement of three waters to a separate entity
 - (v) Increases in user fees and adoption of additional user fees
 - (vi) loan funding of operational costs associated with a portion of the increased expenditure on climate action and sustainability and of software as a service-related development, where this work provides benefit of a long-term nature
 - (vii) Phasing in of additional operational grant to Bay Venues Limited
- (e) Agree to develop financials on the basis of using Infrastructure Funding and Financing through IFF levy to fund the ratepayer portion of Te Manawataki o te Papa.
- (f) Note that full financials and funding impact statements by activity will be presented within the groups of activities to the September 11 Council meeting and financial statements in the supporting documentation.

EXECUTIVE SUMMARY

- 2. The 2024-34 LTP is proposed to be a continuation of the priorities of the previous LTP. Overall council capital and operational priorities remain as for the previous LTP.
- 3. Budgets are being finalised that reflect changes in costs, revenue, operational requirements and the timing and operational impacts of changes to the capital programme.
- 4. The draft budgets incorporate previous decisions of council in regard to further investment and expenditure.
- 5. Budgets also reflect the recommendations of SFRC in relation to reserves funding and repayment, and rating structure.
- 6. The draft LTP assumes three waters reform occurs from year 3 so that three waters revenue and expenditure from that point is carried out in a different organisation. A new activity Flood control is established.
- 7. The proposed capital programme in 2025 will be close to \$450m after a delivery adjustment of \$70m, which is a significant ongoing increase in capital delivery. Over the ten years the total capital programme is \$3.4b, noting this excludes three waters capital from 2027 (year 3 of the LTP).
- 8. Draft LTP financials will be tabled at this meeting and after adjustments for decisions made at that meeting will be incorporated in the draft consultation document and supporting documentation adopted for consultation on 11 September 2023.

BACKGROUND

- 10. Council is required to prepare an LTP every three years at a minimum. The 2021-31 LTP was amended in 2022 to include investment in the city centre (TMOTP) and to enable some of the capital programme to be financed through an Infrastructure Funding and Financing (IFF) levy which enables this debt to not be included on council's balance sheet.
- 11. The draft 2024-34 LTP is a continuation of the priorities of the previous 2021-31 LTP. Priorities remain:
 - · Revitalising the city centre
 - Growth in the West (Tauriko)
 - Growth in existing zoned areas (including Te Papa/City Centre)
 - Community facilities and amenity
 - Transport network upgrades
 - Sustainability and Resilience
- 12. Budgets have been updated and revised to reflect changes since the 2021-31 LTP in costs & revenue, timing of projects and to update operational impacts arising from changes to the capital programme and operational investments. A summary of the proposed capital programme is included as Attachment A. Draft financials will be presented at the meeting.

OPERATIONAL

- 13. Cost increases have been experienced across the business from high inflation particularly affecting contracts and operational costs, interest and depreciation. The latter are particularly high as ongoing increases in construction indices underlie very high asset revaluations.
- 14. Salaries and contractor costs have increased to deliver on the commitments set by Council.
- 15. Budgets also reflect the recommendations of SFR committee on 7 August 2023 in relation to depreciation and other reserves funding.

- 16. The draft LTP assumes three waters reform occurs from year 3 so that three waters revenue and expenditure from that point is carried out in a different organisation. A new activity Flood control is established. Aspects of flood control are budgeted to remain in TCC including the former "stormwater levy reserve" set up to fund works to prevent future significant flooding in established areas. The stormwater levy reserve will remain in Council and renamed flood control reserve.
- 17. Additional grants to Bay Venues Limited to cover operating costs are proposed to be phased in over the first three years of the LTP.
- 18. Revenue is impacted by demand and also by the level of user fees. A separate report is presented to this meeting on paying a fair share- approach to funding. New user fees to be considered in that report are not yet included in draft financials.1

CAPITAL

- 19. Changes to the capital programme from the 2021-31 LTP reflect:
 - updates of 21-31 LTP projects to reflect revisions to scope, cost and revised timing of projects
 - (b) new projects that have been incorporated through council decision including from action and investment plans, and final decisions on TMOTP
 - (c) different funding and financing arrangements, specifically for Tauriko West transportation projects and financing of the ratepayer share of loans for TMOTP instead being through a proposed IFF levy which will be consulted on concurrently
 - (d) removal of three waters projects from year 3 of the LTP (noting that planned three waters expenditure excluded from the last 8 years of the LTP).
 - (e) The Stadium proposal will be presented at the meeting with financial impacts to be incorporated in the financials

Subsidy, Asset realisation and External Funding Assumptions

- 20. Across capital and operations a high level of external funding has been assumed to support the increased capital programme. The assumptions have been consistent with earlier longterm plans. If funding is not received as assumed this will affect the level of capital programme that may be delivered.
- 23. Council has identified assets suitable for realisation to support investment in the priorities of the LTP. As with external funding assumptions, changes in revenue received from asset sales would affect the level and timing of capital investment that can be delivered.

DEBT

24. The level of debt at the end of 2024 is estimated to be \$1.2b. Waters reform would see \$570m removed from Council's balance sheet at the beginning of year 3 of the LTP (July 2027). After 2027, the debt to revenue ratio will continue to increase over the term of the LTP as more capital investment is undertaken but it is planned to remain at prudent levels within existing borrowing limits.

STRATEGIC / STATUTORY CONTEXT

25. The draft budget is set as part of the supporting documentation for the consultation document for the LTP as direct under the Local Government Act 2002.

OPTIONS ANALYSIS

26. There are no options presented in this report which is summarising the approach to LTP financials and previous decisions.

FINANCIAL CONSIDERATIONS

- 27. The LTP balances council spending to meet the needs and demands of the community against the ability of the community to afford this expenditure and identifies what is the fair share that members of the community should pay.
- 28. The proposed expenditure needs to balance services and infrastructure for a growing (future) population and the needs of the current population.
- 29. The proposed high level of capital expenditure over the ten years generates ongoing operating costs. Council's borrowing limits mean that future borrowing capacity is constrained by the level of revenue from rates, user fees and external subsidies that Council can collect.

LEGAL IMPLICATIONS / RISKS

30. There are no specific legal implications arising from this report which is presented consistent with the requirements of the LTP process set out in the Local Government Act 2002. The main risks within the proposed LTP relate to funding availability, in particular the large dependence on external funding sources to support the capital programme. The main response if funding does not eventuate would be to reduce the capital programme.

CONSULTATION / ENGAGEMENT

31. The summary financials will be included in the consultation document for the LTP. More detailed financial information will be included in the supporting documentation to the consultation document and made available on council's website. The consultation on the LTP is proposed for November/December 2023.

SIGNIFICANCE

- 32. The Local Government Act 2002 requires an assessment of the significance of matters, issues, proposals and decisions in this report against Council's Significance and Engagement Policy. Council acknowledges that in some instances a matter, issue, proposal or decision may have a high degree of importance to individuals, groups, or agencies affected by the report.
- 33. In making this assessment, consideration has been given to the likely impact, and likely consequences for:
 - (a) the current and future social, economic, environmental, or cultural well-being of the district or region
 - (b) any persons who are likely to be particularly affected by, or interested in, the matter.
 - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
- 34. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the matter is of high significance.

ENGAGEMENT

- 35. Taking into consideration the above assessment, that the matter is of high significance, officers are of the opinion that the following consultation/engagement is suggested/required under the Local Government Act 2002.
- 36. The financial data will be summarised as part of the consultation document prepared to support community consultation on the LTP.

NEXT STEPS

- 37. The financial data will be summarised as part of the draft consultation document prepared for council on 11 September 2023. Supporting documentation showing full financial statements and funding impact statements and capital projects by activity will be prepared as attachments for the 11 September Council meeting.
- 38. The material will be audited by Audit new Zealand from mid-September through till the end of October before being finalised for community consultation.

ATTACHMENTS

1. Attachment A - Capital Programme - A14958774 🗓 🖺

Ordinary Council meeting Agenda 21 August 2023

	25 FY Budget	26 FY Budget	27 FY Budget	28 FY Budget	29 FY Budget	30 FY Budget	31 FY Budget	32 FY Budget	33 FY Budget	34 FY Budget	10 Years Total
Civile & City Contro											
Civic & City Centre	95,333,081	103,962,203	126,995,229	113,492,704	17,890,478	7,226,396	4,307,399	4,678,328	4,980,406	4,814,239	483,680,463
Growth - Intensification & Existing Growth Areas	3,186,350	1,000,000	1,500,000	-	-	-	-	-	-	-	5,686,350
Te Manawataki o Te Papa - Community Services	45,023,449	44,140,596	41,622,872	53,134,482	-	-	-	-	-	-	183,921,400
Te Manawataki o Te Papa - Spaces & Places	8,274,870	10,061,090	20,342,533	9,913,631	-	-	-	-	-	-	48,592,124
Te Manawataki o Te Papa - Support Services	2,569,959	3,427,660	5,433,758	2,595,785	-		-	-	-	-	14,027,161
Waterfront Development	4,537,425	3,203,100	5,820,589	5,891,533	-	-				-	19,452,647
Memorial Park Aquatics Facility & Recreation Hub	9,999,997	29,999,998	39,999,998	30,000,001	10,000,001						119,999,995
	3,333,331	, ,	1,500,000								8,334,209
Memorial Park Masterplanning	40.400.000	2,834,209	1,500,000	2,500,000	1,500,000	•	•	•	•	•	
Civic Admin Building	12,499,686	-	-	-	-	-	-	-	-	-	12,499,686
City Centre - Historical & Cultural Precinct	1,035,000	1,066,000	1,095,000	1,121,000	922,382	961,844	987,078	2,020,295	2,048,581	2,060,697	13,317,876
City Centre - Spaces & Places	3,500,200	4,173,100	6,408,699	6,403,800	2,733,390	2,885,626	2,990,185	2,476,683	2,538,090	2,565,291	36,675,065
Other Projects	· · · · · -									-	
Renewals	4,706,145	4,056,450	3,271,780	1,932,473	2,734,704	3,378,927	330,137	181,350	393,736	188,250	21,173,951
Community Services	42,087,056	48,287,414	39,302,700	57,718,240	63,080,119	47,930,181	73,967,209	60,649,916	56,016,744	51,819,664	540,859,242
	42,007,030	40,201,414	33,302,700	31,110,240	03,000,113	47,550,101					
Growth - Eastern							5,950,000	6,045,000	6,135,000	6,275,000	24,405,000
Growth - Western	207,000	540,604	165,732	7,454,650	13,854,065	6,621,870	16,111,200	16,019,150	6,277,000	-	67,251,271
Growth - Intensification & Existing Growth Areas	2,964,505	2,415,138	6,877,571	5,111,575	3,323,300	3,549,589	3,667,447	3,921,367	2,995,111	1,811,033	36,636,635
Cemeteries Development	-	1,701,709	2,534,925	3,026,700	3,094,200	2,688,700	1,710,625	1,737,938	1,763,813	1,804,063	20,062,672
Historic Village Improvements	126,566	3,683,946	366,919	952,330	433,000	962,672	235,960	31,478	44,523	12,864	6,850,257
Marine Park/Sulphur Point Development	,	-	-	723,750	737,520	4,914,569	9,379,565	5,369,210	5,507,150	5,659,720	32,291,484
	10.000.000	47 404 000	40.004.044					, ,			
Active Reserve Development	18,930,668	17,431,608	10,064,611	15,766,030	16,349,538	6,620,108	8,665,307	2,147,637	2,189,751	2,244,423	100,409,681
Community Centres, Reserves & Play Improvements	596,007	2,733,875	2,808,371	6,566,982	6,669,069	6,862,246	10,955,886	6,288,700	7,621,525	11,537,039	62,639,700
Public Art	414,000	639,600	1,095,000	2,668,808	3,491,069	3,105,842	2,593,349	2,589,887	2,695,780	2,764,544	22,057,881
Other Projects	8,323,378	9,091,995	6,964,434	6,298,372	5,246,237	5,139,477	4,714,440	4,826,854	4,933,770	5,064,288	60,603,246
Renewals	10,524,932	10,048,939	8,425,136	9,149,043	9,882,122	7,465,107	9,983,428	11,672,696	15,853,321	14,646,690	107,651,415
Bay Venues	7,364,091	10,635,595	8,643,280	3,369,455	6,354,006	10,843,712	4,097,066	1,467,696	2,437,359	3,661,535	58,873,795
Aquatics, Sports, Events and Community Centres	7,364,091	10,635,595	8,643,280	3,369,455	6,354,006	10,843,712	4,097,066	1,467,696	2,437,359	3,661,535	58,873,795
Sustainability & Resilience	15,072,059	17,386,154	20,572,765	10,966,037	9,970,777	3,072,603	3,752,441	5,411,164	10,676,850	21,632,313	118,513,163
Bridge Resilience	257,275	529,450	762,510	4,481,200	6,762,303	-	1,833,750	3,507,840	8,695,840	19,659,000	46,489,168
Resilience/Climate	2,349,968	5,982,531	1,408,312	6,014,092	2,733,474	2,788,334	1,660,324	1,686,833	1,711,947	1,751,014	28,086,828
Waste Facilities Redevelopment	11,773,700	10,481,000	17,844,317							-	40,099,017
Climate Improvements	144,419	144,562	144,739	144,820	144,966	145,073	145,157	145,219	145,276	146,612	1,450,842
Renewals	546,697	248,611	412,886	325,925	330,035	139,196	113,209	71,272	123,787	75,688	2,387,308
Transportation	194,122,676	187,681,573	195,569,985	196,701,477	197,987,712	193,004,713	166,631,147	119,584,669	100,974,979	133,255,726	1,685,514,658
Growth - Eastern	30,746,832	12,837,060	3,502,776	9,224,709	-	-	1,630,583	-	1,308,043	2,066,947	61,316,950
Growth - Eastern (PEI)	34,925,000	32,925,905	6,535,800	-	-		-	-	-	-	74,386,705
Growth - Western	4,215,451	1,588,350	-	-	-	-	-	-	-	1,030,890	6,834,691
Growth - Intensification & Existing Growth Areas	6,981,415	7,527,943	11,450,849	3,150,117	6,343,731	12,507,845	10,200,780	13,149,366	6,679,332	6,054,919	84,046,298
Arterial Upgrades	-,,	.,	•	560,500	3,724,500	3,799,250	3,867,500	3,929,250	3,987,750	4,078,750	23,947,500
Cameron Road Stage 2	29,974,596	40,020,862	49,363,871	40,406,644	0,124,000	0,100,200	0,001,000	0,020,200	0,001,100	4,010,100	159,765,973
					-	40 400 050		-	-		
City Centre	12,828,193	10,288,660	11,141,961	11,198,941	11,902,999	18,409,653	21,562,076	24,410,275	5,815,290	6,472,498	134,030,545
Hewletts Road	2,059,900	5,520,400	4,971,196	4,947,878	15,982,833	33,737,204	57,698,093	10,028,600	10,063,440	44,124,014	189,133,558
Mount/Papamoa Multimodal	2,342,918	3,653,205	4,084,875	4,201,125	4,320,375	5,965,500	7,640,625	9,396,000	9,591,000	-	51,195,623
Otumoetai Multimodal	6,857,929	6,762,519	16,943,639	17,607,304	26,127,709	28,634,400				-	102,933,498
Turret Road Multimodal	2,497,883	2,491,327	17,856,459	45,123,077	68,324,062	23,862,000				-	160,154,809
Minor Safety Improvements	5,579,492	3,667,007	3,804,189	3,941,363	4,077,520	4,274,870	4,406,180	4,538,530	4,645,075	4,781,257	43,715,483
Other Projects	26,504,549	28,272,453	30,051,975	20,664,770		22,280,063	22,483,555	16,218,433		24,598,225	229,991,623
					19,257,708				19,659,893		, ,
Renewals	28,608,519	32,125,883	35,862,395	35,675,051	37,926,276	39,533,928	37,141,756	37,914,215	39,225,156	40,048,226	364,061,403
3 Waters	148,672,732	158,382,984									307,055,716
Growth - Eastern	20,751,136	24,063,609									44,814,745
Growth - Western	26,067,589	5,238,133									31,305,722
Growth - Intensification & Existing Growth Areas	20,435,602	23,615,780									44,051,382
Cameron Road Stage 2	1,381,501	1,690,552									3,072,054
Resilience/Climate	4,966,604	6,018,230									10,984,834
Te Maunga Wastewater Treatment Plant	24,664,118	41,528,419									66,192,537
Other Projects	6,786,122	2,935,812									9,721,934
Renewals & Upgrades	43,620,058	53,292,450									96,912,508
Digital	15,031,982	15,032,939	15,033,835	8,034,639	8,035,410	8,036,122	8,286,771	8,287,359	8,286,810	8,287,650	102,353,516
Other Projects	14,992,749	15,005,002	15,010,196	8,012,696	8,010,671	8,013,240	8,247,938	8,266,504	8,265,699	8,266,001	102,090,696
Renewals	39,233	27,937	23,639	21,942	24,740	22,882	38,833	20,855	21,111	21,649	262,820
Other	7,403,464	5,947,092	6,009,232	6,180,870	6,649,951	6,530,408	6,556,851	6,629,213	6,933,081	6,908,592	65,748,754
Strategic Acquisition Fund	5,175,000	5,330,000	5,475,000	5,605,000	5,730,000	5,845,000	5,950,000	6,045,000	6,135,000	6,275,000	57,565,000
Other Projects	414,310	371,820	381,935	391,004	399,724	407,746	415,071	397,326	403,241	412,443	3,994,620
Renewals	1,814,154	245,272	152,297	184,866	520,227	277,662	191,780	186,887	394,840	221,149	4,189,134
Grand Total	525,087,140	547,315,952	412,127,027	396,463,423	309,968,455	276,644,136	267,598,883	206,708,344	190,306,229	230,379,718	3,362,599,307
	.,,	, -,	, ,-	,,	, ,	. ,	,,	,,-	,,	, -,	, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
Capital Deliverability Adjustment											
	(6 000 000)	(11 000 000)	(4.4.000.000)	(42 000 000)	42 000 000	10 000 000	11 000 000	10 000 000	10 000 000	4 000 000	
Civic & City Centre	(6,000,000)	(11,000,000)	(14,000,000)	(13,000,000)	42,000,000	10,000,000	11,000,000	10,000,000	10,000,000	4,000,000	
Community Services	(7,000,000)	(15,000,000)	(2,000,000)	3,000,000	3,000,000	25,000,000	(4,000,000)	10,000,000	12,000,000	18,000,000	
Transportation	(33,000,000)	(30,000,000)	(38,000,000)	(35,000,000)	(23,000,000)	(22,000,000)	10,000,000	65,000,000	82,000,000	42,000,000	
3 Waters	(27,000,000)	(34,000,000)	,	,	•						
Sustainability & Resilience		,	(10,000,000)			3,000,000	3,000,000	3,000,000	1,000,000	0	
Fotal Capital Deliverability Adjustment*	(73,000,000)	(90,000,000)	(64,000,000)	(45,000,000)	22,000,000	16,000,000	20,000,000	88,000,000	105,000,000	64,000,000	
. Jun. Jup.iui Dontorubinty Aujustinont	(1.0,000,000)	(55,550,550)	(0-1,000,000)	(40,000,000)	,000,000	. 0,000,000	20,000,000	55,500,000	100,000,000	3-1,000,000	
let Conite in al Conite Delivers 111 A diverse	450 007 440	4E7 04F 0F0	240 407 007	254 400 400	224 000 455	202 644 422	207 500 000	204 700 044	205 200 000	204 272 742	2 405 500 007
Net Capital incl Capital Deliverability Adjustment	452,087,140	457,315,952	348,127,027	351,463,423	331,968,455	292,644,136	287,598,883	294,708,344	295,306,229	294,379,718	3,405,599,307
Capital Excluded											
Stadium						11,687,000	35,691,000	36,264,000			83,642,000

*additional capital deliverability adjustment in 24FY

Item 11.5 - Attachment 1

11.6 Draft Revenue and Financing Policy Framework

File Number: A14866777

Author: Sarah Holmes, Corporate Planner

Jim Taylor, Manager: Rating Policy and Revenue

Authoriser: Paul Davidson, Chief Financial Officer

PURPOSE OF THE REPORT

1. To provide information on Council's Revenue and Financing Policy.

2. Provides an opportunity for Council to amend/approve the Funding Needs Analysis and draft Revenue and Financing Policy prior to legal review, audit, and then public consultation.

RECOMMENDATIONS

That the Council:

- (a) Receives the report "Draft Revenue and Financing Policy Framework".
- (b) Approves (as amended) the draft Revenue and Financing Policy and Funding Needs Analysis, acknowledging that:
 - (i) The draft policy is subject to legal review, and
 - (ii) It will be presented back to Council on 11 September as part of the supporting information to the 2024-34 Long-term Plan Consultation Document, and
 - (iii) Public views will be sought through consultation alongside the 2024-34 Longterm Plan.

EXECUTIVE SUMMARY

- Council is required to review and adopt a Revenue and Financing Policy (RFP) every three
 years. The purpose of the policy is to show how Council's activities are funded who pays for
 what, and why. The policy would come into effect from 1 July 2024 and must be included in
 the Council's Long-term Plan (LTP).
- 4. The first step in the policy review process is reviewing Council activities and preparing the draft Funding Needs Analysis (FNA) (Attachment 2). The second step in the process is to review the overall impact of funding decisions, considering factors such as strategic direction, affordability, accessibility, sustainability of funding, and current and projected future economic conditions. Together, these steps result in the RFP.
- 5. Changes to the RFP from the 2021 policy are shown in Attachment 1 in tracked changes for operating expenditure, and the preferences for funding capital expenditure.

BACKGROUND

- 6. The Local Government Act 2002 (LGA) requires Council to adopt a Revenue and Financing Policy (RFP), that must be included in the Long-term Plan (LTP).
- 7. The RFP sets out how Council plans to fund each of its activities and outlines how it has made these decisions.
- 8. The policy is an important step in the rate setting process, determining levels of development contributions, and setting fees and charges. A policy that has not been created following correct process or is unreasonable may result in decisions that flow out of the policy being invalid.

- 9. Two separate steps are required under the legislation to develop the draft RFP. The first step is the process prescribed in section 101(3)(a) of the LGA (see chart below).
- 10. Having completed the step one analysis for each activity which is summarised in the FNA the second step is to aggregate all of the results and consider the impact that these results might have on the community. This includes consideration of rating differentials, the level of rates set on a uniform basis, and the factors used to set targeted rates.
- 11. Note that following the transition of Water Supply, Stormwater, and Wastewater activities to the Water Services Entity, Council will need to carry out the second step again to consider the overall impact of allocation of liability for revenue. At that stage, any proposed amendments to the RFP will need to be consulted in a manner that gives effect to the requirements of section 82 of the Local Government Act 2002.

The two-step funding process.

Step one:

For each activity consider:

- the community outcomes the activity promotes (and how the funding arrangements support that)
- who benefits
- whose action created the need for expenditure
- the costs and benefits of funding the activity separately



Step two:

Taking the completed results from step one, consider:

the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental and cultural well-being of the community

STRATEGIC / STATUTORY CONTEXT

- 12. The draft RFP (Attachment 1) brings together all funding considerations into a policy which states how we intend to fund our activities after the step two consideration. The FNA (Attachment 2) is the documentation of the step one analysis and informs the draft RFP.
- 13. Both documents will undergo a legal review before final adoption on 11 September 2023 for audit and subsequent consultation.

Provisional Changes

14. The RFP has been aligned to the most up to date draft financials, as presented in a separate report. The funding decisions set out in the RFP largely reflect the funding positions in the current policy, with the exception of the following changes.

Capital funding changes

- 15. The RFP includes Infrastructure Funding and Financing (IFF) as a second funding preference for new and growth-related capital expenditure.
- 16. Inclusion of depreciation reserves as a third funding preference where there is a renewal portion of capital projects.
- 17. Clarification that the third preference for new capital is funding by loans. The loans could be funded through general or targeted rates, user fees, activity surpluses. This allows for capital projects to be funded through income received from activities such as parking.

18. Addition to the third preference for growth related projects, to allow for targeted rates or general rates, user fees, or activity surpluses for the portion of capital that offers wider benefit, or where there has been an under collection in development contributions.

Operating funding changes

- 19. Introduce a Flood Protection activity, to ensure the continued flood protection services. This activity has been included in the FNA with an initial assessment completed. The new Flood Protection activity is proposed to be funded by a mix of general and targeted rates. It is important to note however that there are uncertainties around the new activity, with the Water Services Entities Amendment Bill currently at Committee of Whole House stage.
- 20. With the initiation of the IFF, the Transportation Targeted Rate has been removed as a funding source for transportation operating expenditure, however, the policy retains the potential for Transportation Targeted Rate funding to be used in the future.
- 21. Similarly, the Community Facilities Targeted Rate has been removed as a funding source, as the Draft LTP assumes that the large new investments would be funded by levy under the Infrastructure Funding and Financing legislation. The RFP retains the potential for a Community Facilities Targeted Rate to be used in the future for Spaces & Places, City Centre Development, Libraries, Venues & Events, and Art & Culture, as this is likely to be used should the IFF be unsuccessful.
- 22. Introduction of a targeted rate for required private pool inspections under the Building Act 2004. Inspections are required every three years, and a targeted rate spreads the cost burden over that period, ensuring future owners pay their fair share. Replacing the current three yearly fee with a targeted annual rate will reduce administration, allowing resources to be used in other areas of the Building Services activity.
- 23. The draft financials include Tauranga Convention Centre, hotel, and performance venue (Site B) and the proposed Stadium, as covered in a separate report. Revenue for rental, catering revenue and recoveries are included for Site B, which results in an operating funding percentage shift from General Rates to Fees and Charges for the City Centre Development activity from year 6 of the LTP. No operating costs or income have been allowed for the Stadium due to the timing sitting just outside the LTP period. Following construction, a decision may be made to transfer the assets related to these activities to another activity, which would mean the funding would change at that time.
- 24. Funding bands have been revised to reflect the additional revenue opportunities from fees and charges and other revenue sources with the ten-year LTP period. This is dependent on the decisions from the 'Paying a Fair Share' report being considered at this meeting. The RFP will be updated to reflect funding decisions as required.
- 25. Note that the Marine Precinct is included in both the FNA and the RFP, however it is council's intention to dispose of this prior to the policy being in effect on 1 July 2024. In the case of disposal prior to this date, the activity will be removed.

Rating categories

26. The potential change to rating categories is addressed in a separate report. Following the approval of a preferred option, this will need to be reflected in the RFP.

Te Ture Whenua Māori Act Principles

- 27. The Revenue and Financing Policy must support the principles set out in the <u>Preamble</u> to Te Ture Whenua Māori Act 1993. Two key principles expressed in its Preamble are that land is a taonga tuku iho of special significance to Māori and as such we should avoid further loss of Māori land.
- 28. These principles were considered in detail by Council in March 2022 when it adopted the Remission and Postponement of Rates on Māori Freehold Land Policy.

- 29. The draft RFP includes a new section outlining the principles and recognising Council's commitment to understand and apply key Māori concepts to enhance outcomes for our communities, thereby bringing to life the principles of Te Tiriti o Waitangi.
- 30. The Policy also includes a reference to the Papakāinga Housing Grant, which has the purpose of reducing the cost of the city-wide development contributions for housing on Māori land. The inclusion of this is subject to a decision being made on 14 August, and if required, will be updated to reflect the relevant decision. Information on this grant is included in the Grant for Development Contributions on Papakāinga Housing Policy, and it is funded from the proceeds of the sale of Council's Elder Housing portfolio.

OPTIONS ANALYSIS

31. The decision is whether to approve or amend the proposed draft RFP framework or not.

Option 1: Approve

Ad	vantages	Disadvantages		
of developing a • Enhances trans has decided to	sparency in how Council fund its activities ding considerations and ress. There is no risk to adoption the framework and will be A final policy will need to	None. Ing the proposed draft policy. Approval sets e presented again before public consultation. be adopted following consideration of public ome into effect until 1 July 2024.		
Recommended?	Yes. The approval of the proposed RFP framework attached will enable the LTP process to progress. It will also increase the transparency and accountability of Council's funding decisions.			

Option 2: Do not approve

Advantages		Disadvantages				
None.		The LTP is likely to be delayed if the proposed RFP framework is not approved.				
Key Risk	There is a risk that the LTP could be delayed because the funding decision process would be behind schedule.					
Recommended?	No . Not approving the proposed draft RFP framework would put the LTP at risk by causing delays in the process.					

LEGAL IMPLICATIONS / RISKS

- 32. The preparation of the RFP is subject to <u>Section 102</u> of the Local Government Act 2002 which states that Councils are required to adopt an RFP, and must consult on a draft policy before adopting it. <u>Section 103</u> includes requirements on what is included in the policy, and <u>Section 101(3)</u> provides considerations that must be made when developing the RFP.
- 33. An external legal review will be completed on the draft RFP prior to being presented back to Council on 11 September 2023.

CONSULTATION / ENGAGEMENT

34. Public consultation is required on the draft RFP in accordance with section 82 of the Local Government Act 2002. Consultation is scheduled to occur between 15 November and 15 December 2023 in alignment with the LTP consultation.

SIGNIFICANCE

- 35. The Local Government Act 2002 requires an assessment of the significance of matters, issues, proposals and decisions in this report against Council's Significance and Engagement Policy. Council acknowledges that in some instances a matter, issue, proposal or decision may have a high degree of importance to individuals, groups, or agencies affected by the report.
- 36. In making this assessment, consideration has been given to the likely impact, and likely consequences for:
 - (a) the current and future social, economic, environmental, or cultural well-being of the district or region
 - (b) any persons who are likely to be particularly affected by, or interested in, the decision.
 - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
- 37. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the decision to adopt the draft policy framework is of low significance.

ENGAGEMENT

38. Taking into consideration the above assessment, that the decision is of low significance, officers are of the opinion that the following consultation/engagement is suggested/required under the Local Government Act 2002.

NEXT STEPS

- 39. Legal review will be completed on RFP and Funding Needs Analysis and any necessary changes as a result will be made.
- 40. Adoption of RFP as supporting information to the 2024-34 LTP Consultation Document and associated statements of proposal for audit (11 September), followed by audit of the LTP and associated supporting documentation.
- 41. Consultation on the draft RFP (15 November 15 December).

ATTACHMENTS

- 1. DRAFT Revenue and Financing Policy 2024 A14931958 🗓 🖺
- 2. DRAFT Funding Needs Analysis 2024 Revenue and Financing Policy A14426953 🗓

DRAFT REVENUE AND FINANCING POLICY 2024



Policy type	Council		
Authorised by	Council		
First adopted	TBD	Minute reference	TBD
Review date	2026		

1. PURPOSE

The Revenue and Financing Policy sets out the funding sources for Council's activities over the next 10 years and the rationale for these choices.

The policy documents how Council has complied with section 101 (3) of the Local Government Act 2002 (LGA). The comprehensive section 101(3) analysis that sits behind this policy is documented separately in the Funding Needs Analysis.

2. PRINCIPLES

The following key principles guide the determination of funding sources.

Accessibility – that Council facilities and services should be accessible to as many people as possible.

Affordability – both that Council facilities and services should, wherever possible, be affordable to users and that rates should, to the extent possible, be affordable to ratepayers.

Benefit – that those who benefit from a Council facility or service should contribute to the costs of that facility or service, during the period in which the benefits are expected to occur.

Exacerbators – that those who contribute to the need for a Council facility or service should contribute to the costs of that facility or service.

Practicalities – the funding of operating and capital expenditure should take account of the practicalities and efficiencies of the available funding methods.

Council must apply judgment in assessing many options to determine the appropriateness in its development of budgets or acquisition of assets and the choice of funding sources to implement these.

The key principles of fees and charges are:

- User pays
- Fair and equitable
- Consistent across council
- Reflects capital investment
- Simple to administer and understand
- Captures non ratepayer users of TCC amenities
- Enables demand management
- · Reflects "value" of assets and environment

Objective Number: <u>A12181476</u><u>A14866712</u>

Page 1

3. OPERATING COSTS EXPENDITURE

Operating expenditure (Opex): is the money spent on the ongoing day to day activities and services of the Council. This includes contributions to the wear and tear on assets used (depreciation), interest charges on borrowing for capital projects and corporate overheads. Operating expenditure will be funded each year in accordance with the adopted Annual Plan and Budget.

With regard to OPEX, the following information should be considered;

Balanced budget – In accordance with section 100 of the LGA, Council will set each year's projected operating revenues at a sufficient level to meet the year's projected OPEX, except in limited situations where Council considers it prudent not to do so.

Loans Funding OPEX – Loans will not be used to fund OPEX, unless it is otherwise resolved by Council. Council may resolve to use loans to fund OPEX where the expenditure provides benefits outside the year of operation, such as community grants for assets.

At financial year-end, any surplus will be used for debt retirement or Council may choose to contribute to risk reserves or other use if resolved by Council. A deficit will be funded through loans.

4. FUNDING SOURCES FOR OPERATING EXPENDITURE

Tauranga City Council may use all of the following sources to fund operation costs, the most common are explained below:

- a. User charges
- b. Grants, sponsorship, subsidies, and other income
- c. Proceeds from asset sales
- d. Lump sum contributions
- e. Investment income
- f. Financial contributions
- g. Reserve funds
- h. Borrowing
- i. Rates
 - General rates
 - Targeted rates

The most common funding sources we will used for operating costs are

- a.j. User fees and charges;
- b.k.General rates;
- e.l. Targeted rates; and
- m. Grants, sponsorship, subsidies, interest revenue, borrowing; and
- n. Overhead allocations
- d.o. Loansother.

Objective Number: <u>A12181476</u><u>A14866712</u>

Page 2

TARGETED RATES

Targeted rates are explained below under section 7.

GRANTS, SUBSIDIES, INTEREST REVENUE, BORROWING & OTHER

Grants, sponsorship and other subsidies will be used where they are available. Some of this funding is regular and predictable and therefore can be budgeted. Other funding in this category will be unexpected and cannot be predicted. Subsidies, grants and sponsorship and other income options will be explored prior to rates being used. In activities where there is a surplus, we may earn interest revenue on that surplus.

Interest on depreciation reserves and interest on sinking reserves will not be used to fund operating expenditure.

FEES & CHARGES

Where Council considers there is a clearly identified relationship between users and the services provided, particularly with an immediate benefit, it will implement fees and charges for that activity. Charging user fees reflects the private benefit of an activity, and the use of fees and charges may be balanced with other funding sources which recognise a public benefit. We set our fees and charges annually to reflect increases in costs or changes to charging structures.

GENERAL RATES

General rates are explained below under section 7.

OVERHEADS ALLOCATION

Overheads are recovered from the organisation through internal charges (overhead expenditure charged by allocation to other activities). For example, Support Services and Community, People and Relationships activities are primarily funded through the other activities. The majority of this expenditure (85-90%) is funded by rates.

Borrowing – Accounting requirements restrict the point at which elements of investment in assets can be recognised as capital spend. These include planning, consultation and communication and early stages of design. There are also restrictions on when digital expenditure to develop or integrate software can be recognised as an intangible asset. In these cases council will loan fund this expenditure and retire associated debt over the likely life of the benefit of that asset in the same way as it would capitalise expenditure on an asset and then depreciate that asset.

Table 1 shows how Council will fund its operating expenditure by activity. This has been determined by <u>assessing</u> the <u>activities against the requirements of</u> section 101(3) of the LGA. <u>assessment (documented in the Funding Needs Analysis).</u>

KEY

The key below explains the extent of each funding source used. Grants, subsidies and sponsorship have the potential to be used across all activities if available. These ranges are expressed as a percentage of the cost of the activity.

Council budgets will normally be set within these indicative ranges. As these ranges are expressed as a percentage of the cost of the activity, they may change over time because of changes in expenditure rather than changes in revenue. If budgets were marginally (less than 10%) outside these ranges it is unlikely that Council will consider that matter to have a high degree of significance and therefore warrant a consultation to change the Revenue and Financing Policy.

Objective Number: <u>A12181476</u>A14866712

Page 3

Name	% Range	Key
Less likely Unlikely	0%	*
Low	0-30%	√
Medium	30-70%	✓
High	70-100%	✓
Potential to be used		√

Table 1: Summary of Operating Expenditure Funding Sources by Activity*



Objective Number: <u>A12181476</u><u>A14866712</u>

Page 4

Activity Group	Activity	User fees and charges	General rates	Targeted rates	Grants, subsidies, interest revenue, & borrowing & other	<u>Overheads</u>
City and Infrastructure Planning	City and Infrastructure Planning	✓	✓	<u> </u>	<u>×</u> ←	<u>×</u>
Community, People and Relationships	Includes: Democracy Services, Customer Service, Community Relations, and Te Pou Takawaenga	√	<u>×</u> ←	<u>×</u> ←	✓	<u>✓</u>
Community Services	Arts and Culture	<u>√</u> ×	✓	<u>×</u>	✓	<u>*</u>
	Venues and Events	✓	✓	✓	✓	<u>×</u>
	Community PartnershipsCity Centre Development	×	✓	<u>√</u> ×	✓	<u>*</u>
	Community Development	<u>*</u>		<u>*</u>	<u> </u>	<u>×</u>
	Elder Housing	4	X	X	+	
	Libraries	✓	✓	✓	✓	<u>*</u>
Economic Development	Airport	✓	×	×	✓	<u>×</u>
•	Economic Development	×	<u>×</u> ←	✓	✓	<u>×</u>
Emergency Management	Emergency Management	×	✓	✓	✓	×
Marine Precinct ¹	Marine Precinct	✓	×	×	✓	×
Regulatory and Compliance	Animal services	✓	✓	×	✓	<u>×</u>
	Building services	✓	✓	<u>√</u> ×	✓	×
	Environmental Planning	√	√	×	✓	×
	Environmental Health and Licensing	✓	✓	×	✓	×
	Regulation Monitoring	✓	✓	×	✓	<u>×</u>
Spaces and Places	Cemeteries	✓	*	<u>×</u> √	✓	×
	Beachside Holiday Park	✓	*	*	✓	<u>*</u>
	Marine Facilities	✓	✓	*	✓	<u>×</u>
	Spaces and Places	✓	✓	✓	✓	<u>×</u>
Stormwater	Stormwater	✓	✓	✓	✓	<u>×</u>
Flood Protection	Flood protection	<u>×</u>		<u>√</u>	×	<u>×</u>

Objective Number: <u>A12181476</u><u>A14866712</u>

Page 5

Activity Group	Activity	User fees and charges	General rates	Targeted rates	Grants, subsidies, interest revenue, & borrowing & other	<u>Overheads</u>
Support Services **	Includes: Asset Services, Capital Programme Assurance Division, Digital Services, Finance, Legal, Risk and Procurement, Human Resources, Property Management, Strategy and Corporate Planning, Strategic Investment & Commercial Facilitation	√	√	√	<u>×</u> √	<u> </u>
Sustainability and Waste	Sustainability and Waste	✓	√	√	✓	<u>*</u>
Transportation	Transportation (includes local roading and parking)	√	✓	√	√	<u>×</u>
Wastewater	Wastewater	✓	×	✓	✓	×
Water Supply	Water Supply	✓	*	✓	✓	<u>*</u>

^{*} If budgets were marginally (less than 10%) outside these ranges it is unlikely that Council will consider that matter to have a high degree of significance and therefore warrant a consultation to change the Revenue and Financing Policy.

4.5. CAPITAL COSTSEXPENDITURE

Capital expenditure (CAPEX): is the money spent on <u>creating or maintaining</u> property, plant and equipment (for example bridges, libraries and swimming pools). Council has 3 types of capital expenditure.

- Level of service: capital expenditure that is not growth related shifts level of service
- Growth: growth related capital expenditure required to provide additional capacity
- Renewals: capital expenditure that increases the life of an existing asset with no increase in service level

Objective Number: <u>A12181476</u>A14866712

Page 6

^{**} Support Services and Community, People and Relationships activities are primarily recovered through the other activities listed above

¹ It is Council's intention to dispose of the Marine Precinct prior to 1 July 2024, and therefore disestablish this activity. In the event of a delay, the intended funding of the activity is as shown in this policy.

Table Two below sets out how the 3 types of capital expenditure will be funded.

Council does not fund its capital costs on an activity-by-activity basis.

Due to borrowing covenants constraints, rates and user fee funded debt retirement may be required to enable further capital expenditure.

A capital project is expected to contribute to community outcomes in the same way as the activity in which it is funded unless Council resolves otherwise.

<u>Capital expenditure benefits the same groups as the operating expenditure for each activity.</u>

Table 2: Funding Sources for Capital Expenditure

New capital expenditure (not growth related)	Renewals expenditure	Growth-related capital expenditure						
	Preference 1							
Other <u>external</u> sources, where <u>available including</u> government or other grants, for example <u>NZTA</u> <u>Waka</u> <u>Kotahi</u> grants, <u>TECT grants</u> , <u>IFFnational</u> or regional <u>/</u> —or subregional funding.	Other sources, where available for example NZTA-Waka Kotahi grants.	Other sources, where available for example NZTA Waka Kotahi grants, national or regional/ sub regional funding.						
	Preference 2							
Reserves Asset sales Infrastructure Funding and Financing (IFF)	Deprecation Reserves Asset sales	Development/Financial Contributions—Reserves Asset sales Infrastructure Funding and Financing (IFF)						
	Preference 3							
Loans funded through general rates or targeted rates, user fees, activity surpluses or other funding sources Asset Realisation Reserve.	 Loans Asset realisation Reserve 	Loans Depreciation Reserves where there is a renewal portion of capital projects. Targeted rates or general rates, user fees, or activity surpluses may also be considered for the portion of capital that offers wider benefit or where there has been an under collection in Development Contributions. Asset Realisation Reserve						

DEPRECIATION

Depreciation reserves isare the accumulated funds retained by each activity from the depreciation on all Council's fixed assets (excluding land). Within each of Council's activities, revenue is raised to fund the depreciation expense, and the money is transferred to a depreciation reserve for that activity. Renewals are funded through this reserve and activity debt is regularly retired based on a set % of the activity debt.

Objective Number: <u>A12181476</u><u>A14866712</u>

Page 7

Item 11.6 - Attachment 1 Page 219

DEVELOPMENT AND FINANCIAL CONTRIBUTIONS

Development contributions fund growth related capital expenditure over the planning period for an urban growth area, or the capacity life of the project (e.g. the number of years until a pipe reaches capacity and a new pipe has to be built) or the period over which benefits are expected to be provided by the assets resulting from the capital expenditure (limited to a reasonable period in the case of perpetual assets such as land).

Situations in which Council will require a Financial Contribution are set out within Council's operative Development Contributions Policy and are payable in accordance with the relevant provisions of Chapter 11 of the Tauranga City Plan.

5.6. OVERALL FUNDING CONSIDERATIONS

Council is required by section 101(3)(b) of the LGA to consider the overall impact of the allocation of liability for revenue needs on current and future social, economic, and cultural well-being of the community. It allows Council, as a final measure, to modify the overall mix of funding that would otherwise apply after the 101(3)(a) analysis.

Proposals for changes to the rating categories and rating differentials will be presented in the next draft of the RFP, following decisions on options presented on 21 August.

In considering the overall impact Council is proposing to;

 increase the commercial differential to 1.6, to apply to the general rate, resilience rate and the proposed new targeted rates in community, transportation and stormwater.

6.7. RATES

When determining a rate Council in the exercise of section 101(3)(a) and (b) of the LGA will seek to reflect the following:

- Fairness and equity; in that those who benefit contribute to costs and due consideration is given to the ability to pay.
- Transparency in that rating is clear and readily understandable.
- Simplicity and cost-effectiveness; in administration and implementation

VALUATION BASIS

<u>Council will set t</u>The general rate_<u>will be set</u> on the basis of capital value. <u>Council considers that c</u>Capital value better reflects the level of benefit a property is likely to receive from services rather than land or annual value. <u>Council is setting the general rate differentially</u> (see 'Rates Differentials').

UNIFORM ANNUAL GENERAL CHARGE

Council will set and assess a Uniform Annual General Charge for each separately used or inhabited part of a rating unit. Every rating unit will make a minimum contribution to council's'-costs. Council sets the Uniform Annual General Charge, and other rates set on a uniform basis, excluding wastewater, at around 10% of the total rates requirement to assist with affordability for lower value properties.

RATES DIFFERENTIALS

Differential rating means that some ratepayers will have a higher general rate in the dollar than other ratepayers. This is to balance the overall impact of rates allocation for revenue needs on the whole community. It is the council's viewCouncil considers

Objective Number: <u>A12181476</u><u>A14866712</u>

Page 8

Item 11.6 - Attachment 1 Page 220

that some land uses receive more benefit from, or place more demand on, council services and/or may have a differing ability to pay rates. The differentials will be determined based on location or land use on the activities that are permitted, controlled or discretionary for the area in which the land is situated. Council currently has a rating differential charged on commercial properties capital value of 2.1 times the rate charged on residential property.

On this the above basis, and after considering the overall impact on the community, to be added following 21 August decision there will be a commercial differential on the general rate and targeted rates for stormwater, transportation, community and resilience to the effect that the rates in the dollar on Commercial properties are higher than on other properties. Initially, the Commercial Differential will be a factor of 1.6 on the base rate. This is greater than the previous factor and could be subject to further review in years two and three of this long term plan through the annual plan consultation.

TARGETED RATES

The council uses targeted rates where there is a clearly identifiable group benefiting from a specific council activity. Targeted rates will apply to properties that receive certain services, or which are located in specific areas. Council will use targeted rates to appropriately charge those who directly benefit from or use the service, where this can be determined, or when it wants to ring fence funding collected. Targeted rates are chosen where the services provided are specific to a particular community or area and it is not considered fair to charge all ratepayers.

Targeted rates may also be used where council wishes to incentivise development in areas where infrastructure investments have been made and/or provide more certainty over the timing of payments for those investments. Targeted rates may also apply universally to fund a specific group of activities projects or outcomes where a greater degree of transparency, accountability, and/or and ring fencing of funding is desired.

Due to borrowing covenant constraints, targeted rates may also be used to fund debt retirement to enable further capital expenditure, or for the portion of capital that offers wider benefit or where there has been an under collection in development contributions.

8. TE TURE WHENUA MĀORI PRINCIPLES

This Policy supports the principles set out in the Preamble to Te Ture Whenua Māori Act 1993. These principles include recognition that land is a taonga tuku iho of special significance to Māori, and for facilitation of the occupation, development, and utilisation of that land for the benefit of its owners, their whānau, and their hapū.

Council considers that this policy supports those principles, particularly when viewed in conjunction with Council's Policy on Remission and Postponement of Rates for Māori Freehold Land, Council's Development Contributions Policy, and Papakāinga Housing Grant Policy. [Update dependent on decision from 14 August meeting on elder housing proceeds]. The Council operates within Te Ahunga Ao Māori (Te Ao Māori approach) — a commitment to understand and apply key Māori concepts to enhance outcomes for our communities, thereby bringing to life the principles of Te Tiriti o Waitangi.

7.9. 7. RELEVANT DELEGATIONS

The implementation of this Policy is delegated to the Chief Executive and/or his/her sub-delegate.

Objective Number: <u>A12181476</u><u>A14866712</u>

Page 9

8.10. 8. REFERENCES AND RELEVANT LEGISLATION

The Funding Needs Analysis for the Revenue and Financing Policy 20241-20314, provides the background and analysis to explain the funding decisions made by Council.

The following legislation directs this policy:

- Local Government Act 2002: Section 101, 102, 103.
- <u>Te Ture Whenua Māori Act 1993</u>

This policy is also supported by the following policies:

- Funding Depreciation and Use of Depreciation Reserves
- Development Contributions
- City Investment Partnerships
- · Strategic Property
- Rates Remission
- Rates Postponement
- Rates Remission and Postponement on Maaori Freehold Land
- Grants for Development Contributions on Papakāinga Housing Policy

Objective Number: <u>A12181476</u><u>A14866712</u>

Page 10



DRAFT FUNDING NEEDS ANALYSIS

FOR THE REVENUE AND FINANCING POLICY 2024-34

Purpose and Scope

- 1. The Funding Needs Analysis provides the background and analysis to explain the funding decisions made by Council. It is guided by the principles in the Revenue and Financing Policy.
- 2. Council must comply with section 101(3) of the Local Government Act 2002 (LGA) which results in a two-step process to identify funding sources for each activity.
- Step one involves assessing the funding needs of the activity, who benefits and creates the need for the activity, and how they could potentially pay for those needs and benefits.
- 4. Having completed the step one analysis Council must then consider 'the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental and cultural well-being of the community' (step two).
- 5. This funding needs analysis documents step one.

Types of expenditure

Broadly speaking there are two types of Council expenditure:

Operating expenditure (Opex): is the money spent on the ongoing day to day activities and services of the Council. This includes contributions to the wear and tear on assets used (depreciation), interest charges on borrowing for capital projects and corporate overheads.

Capital expenditure (Capex): is the money spent on creating assets such as property, plant and equipment that provide benefits and enable council to deliver goods and services over a number of years.

Operating expenditure and capital expenditure are funded differently.

Council must consider the funding for each activity after considering the 5 criteria of section 101(3)(a) step one (see Table 1: Legal requirements for expenditure needs).

Table 1: Legal requirements for expenditure needs

Step one reference	Considerations
Community outcomes - s.101(3)(a)(i)	Determine which of the Council's community outcomes an activity primarily contributes to. It is useful to describe how the activity contributes to the community outcomes.
Distribution of benefits - s.101(3)(a)(ii)	Consider who (individual and groups) benefits from the activity, and how the benefit of an activity applies to households, businesses, and

¹ Section 101(3)(b) Local Government Act 2002.

Objective ID A14426953

1

Item 11.6 - Attachment 2 Page 223

Step one reference	Considerations
	the community as a whole. Determining this involves the exercise of judgement by Council. It is inherently subjective. Where Council considers there is a clearly identified relationship between users and the services provided then Council will consider fees and charges or targeted rates. Where Council considers the services provide a benefit to the community as a whole; or where Council is not able to identify a strong or direct relationship between users and the service the Council will consider general rates.
Period of benefit – s.101(3)(a)(iii)	For most operational expenses the benefit is received in the year the expense is incurred.
	For most capital projects the benefit is received over the life of the asset.
	For most activities Council funds depreciation (an operating expense) from revenue sources and this is recorded in reserves for the future renewal of assets.
	Some operational expenses (provisions) may have a benefit over multiple years and so Council may choose to fund the activity over that period.
Who creates the need - s.101(3)(a)(iv)	Some services Council must do because the actions or inactions of individuals or groups create the need to undertake the activity or increase the cost or frequency of a service being provided. Council may choose to target these people or organisations through fines, charges or rates.
Separate funding - s.101(3)(a)(v)	Council must consider the practicalities of separate funding along with transparency and accountability. When doing this it is prudent to consider matters such as the financial scale of the activity, administrative cost, legal requirements, and promotion of value. In some cases, while it may be desirable to charge individuals there may be no practical way of doing so. For all activities Council must identify what proportion of operational
	expenses is recovered from each funding source.

Funding Bands

- 1. After considering the section 101(3)(a) components, Council considers how much of each funding source is allocated to fund each activity.
- 2. This Funding Needs Analysis is intended to inform the Revenue and Financing Policy, which will be in place for the next three years before it is reviewed. Because things change over time, it is not possible to precisely determine the percentage allocated. Therefore, Council has decided to band the percentage into the categories listed in Table 2.

Table 2: Funding Bands

Name	Symbol	Range
Unlikely	×	0
Low	✓	0-30%
Medium	✓	30-70%
High	✓	70-100%
Potential to be used	*	*

The assessment in Table 4 identifies which of the funding sources Council plans to use in budgeting to fund the operating costs of each activity.

Funding Sources for operating expenditure

- 1. The LGA² sets out the funding sources that Council must consider in developing a Revenue and Financing Policy. The funding needs analysis considers all of these funding sources.
- 2. The available funding sources for operating expenditure under the LGA include:
 - User charges
 - Grants, sponsorship, subsidies, and other income
 - Proceeds from asset sales
 - Lump sum contributions
 - Investment income
 - Financial contributions
 - Reserve funds
 - Borrowing
 - Rates
 - General rates
 - Targeted rates
- Tauranga City Council may use all of the above sources to fund operation costs, the most common are outlined below. Table 4 documents Council's section 101(3)(a) consideration for each activity.

Fees & Charges

Where Council considers there is a clearly identified relationship between users and the services provided, particularly with an immediate benefit, it will implement fees and charges for that activity. The use of fees and charges may be balanced with other funding sources. We set our fees and charges annually to reflect increases in costs or changes to charging structures.

General Rates

The base for the general rate is Capital Value. Council is setting this differentially which will mean that commercial ratepayers will have a higher general rate in the dollar than residential ratepayers. This is to balance the overall impact of rates allocation for revenue needs on the whole community

The uniform annual general charge is a fixed charge on each separately used or inhabited part of a rating unit. Every rating unit will make a minimum contribution to councils' costs.

Targeted Rates

We use targeted rates to appropriately charge those who directly benefit from or use the service, where this can be determined. Targeted rates are chosen where the services provided are specific to a particular community or area and it is not considered fair to charge all ratepayers.

Grants, subsidies, interest revenue, borrowing & other

Grants, sponsorship, other subsidies and external funding will be used where they are available. In activities where there is a surplus, we may earn interest revenue on that surplus.

² Section 103(2) Local Government Act 2002.

Overheads

Overheads are internal charges (overhead expenditure charged by allocation to other activities). For example, Support Services and Community, People and Relationships activities are primarily funded through the other activities. The majority of this expenditure (85-90%) is funded by rates.

Funding sources for capital expenditure

- 1. There are 3 types of capital expenditure
 - a) Level of Service: capital expenditure that is not growth related shifts level of service
 - b) Growth: growth related capital expenditure required to provide additional capacity
 - Renewals: capital expenditure that either replaces or continues the life of an existing asset with no increase in service level
- 2. A capital project is expected to contribute to community outcomes in the same way as the activity in which it is funded unless Council resolves otherwise.
- 3. Capital expenditure benefits the same groups as the operating expenditure for each activity.
- 4. Council may choose to target specific groups through use of financial and development contributions, lump sum contributions or targeted rates. When financial and development contributions are used the distribution of benefits and rationale regarding funding sources is discussed within the Development Contributions Policy.
- For most capital projects the benefit is received over the life of the assets. Council will have regard to the equitable distribution of costs over time for the building and renewal of the assets.
- Some capital costs are due to the actions or inactions of individuals or groups that create the need to undertake the activity. Council may decide to target these people or groups to help fund the capital expenditure.
- 7. Council will also consider the practicalities of separate funding along with transparency and accountability.
- 8. Council's preferences when considering the funding of capital projects are set out in Table 3 below.

Table 3: Funding Sources for Capital Expenditure

	New capital expenditure (not growth related)	Renewals expenditure	Growth-related capital expenditure				
		Preference 1					
•	Other external sources, including government or other grants e.g. Waka Kotahi subsidies, TECT grants, national or regional/sub regional funding.	Other sources, where available for example Waka Kotahi grants.	Other sources where available for example Waka Kotahi grants, national or regional/ sub regional funding.				
		Preference 2					
•	Reserves Asset sales Infrastructure Funding and Financing (IFF)	Depreciation ReservesAsset sales	 Development/Financial Contributions Asset sales Infrastructure Funding and Financing (IFF) 				
		Preference 3					
•	Loans funded through general or targeted rates, user fees, activity surpluses.	• Loans	 Loans. Depreciation Reserves where there is a renewal portion of capital projects. Targeted rates or general rates, user fees, or activity surpluses may also be considered for the portion of capital that offers wider benefit or where there has been an under collection in development contributions. 				

Next step

Step two might include considering the following:

- does the outcome from step one support the strategic direction or initiatives of the local authority (for example protecting natural or historic heritage)?
- legal and other constraints
- affordability issues (impact on the elderly or low-income families)
- would there be any barriers to the accessibility to some services
- are there any implications on community or cultural groups?
- what are the size and materiality of any shifts in funding and how do these affect the community?
- is the mix of funding sources sustainable in the long-term?
- what are the current and projected future economic conditions?

Table 4: Funding Needs Analysis by Activity - Operating Expenditure

Activity	Nature of benefit	Primary Community	Beneficiaries	Period of benefit	Who creates need?	Separate funding		Propo	sed Funding S	ources		Rationale for Funding
		Outcome(s)		Benefit			Fees & Charges	General Rates	Targeted Rates	Subsidies, grants, etc	Overheads	
Transportation												
Transportation	Use of the transport network, provision of road safety and access to different modes of transport. Provision and management of parking at recreation facilities, venues, and city spaces for convenient access to amenities.	Well-planned city - Tauranga - Tatai Whenua Easy to move around - Tauranga Ara Rau Supports business and education - Tauranga a te kura	The whole community benefits from personal use of the transport network and parking, as well as economic benefits of movement of goods. Commercial and industrial sectors, both within the city and in the wider region or nationally (e.g., due to access to the port) benefit from movement of goods and employees. Road users benefit from road access and exclusive use of convenient parking close to where they want to go, including visiting recreation facilities, businesses. Access to their work, places for shopping, health appointments. Other beneficiaries include cyclists, developers, people accessing the road corridor, and public transport providers.	Benefit is expected to arise in the year funding is sourced. Benefits from economic activity and commercial and industrial activity are short to long term, benefitting future generations.	All road users create the need for this activity. Heavy vehicles, commercial and industrial, increase the costs of this activity. People who create congestion on roads, and in parking areas also create the need.	Targeted rates assist with accountability and transparency of Council's expenditure on this activity. Identifying separate fees and charges for parking and infringements assists in the accountability of Council's expenditure on this activity.	LOW	HIGH	LOW	LOW	UNLIKELY	There are limited practical options for charging for the individual benefits received from using the transport network. Tolling is one practical way however it requires an Order in Council (legislative instrument that is made by the Executive Council led by the Governor-General) to be made. General rates reflect the public and economic benefit to residents and businesses from the transport network. Parking management is fully funded by user fees (parking fees and fines) to reflect the benefit received from those using parking spaces to access services and amenities. Targeted rates may be used to fund operations, maintenance and renewal where a project benefits a group or sector ratepayers. A targeted rate for resilience also acknowledges the benefit received from emergency preparedness.
Water Supply												
Water Supply	Provides residents and businesses with drinking water.	An inclusive city - Tauranga Mataraunui Values and protects the environment - Tauranga Taurikura Well-planned city - Tauranga - Tatai Whenua Supports business and education - Tauranga a te kura	Residents and businesses connected to Tauranga's water supply system benefit from potable water and reliable supply. The community as a whole benefit from public health from the provision of drinkable water, and water for firefighting.	Benefit is expected to arise in the year funding is sourced.	All members of the community create a need for this activity. High volume water users create a greater need. The actions of individuals and business (commercial and industrial) who are planning, or who attract, growth to the city, have an impact on this activity.	Identifying separate funding – in the form of a targeted rate based on water use - assists in the accountability and transparency of Council's expenditure on this activity.	LOW	UNLIKELY	HIGH	LOW	UNLIKELY	Targeted metered water rates are appropriate for charging those that benefit from the supply of drinkable water, and volumetric charges allow for users to pay for the water used. A targeted rate for resilience also acknowledges the benefit received from emergency preparedness to those using water from the water supply. Fees and charges recognise specific benefits received for certain services.
Wastewater												

Activity	Nature of benefit	Primary Community	Beneficiaries	Period of benefit	Who creates need?	Separate funding		Propo	sed Funding S	ources		Rationale for Funding
		Outcome(s)		201011			Fees & Charges	General Rates	Targeted Rates	Subsidies, grants, etc	Overheads	
Wastewater	Provides a network of infrastructure to manage sewage, protecting public health and the natural environment.	An inclusive city - Tauranga Mataraunui Values and protects the environment - Tauranga Taurikura Well-planned city - Tauranga - Tatai Whenua	All properties connected to Council's wastewater system benefit from safe, sanitary removal of wastewater from their homes and businesses. The whole community benefits by protecting public health and the environment. The commercial sector and trade waste industry benefit from high volumes of trade waste being disposed of.	Benefit is expected to arise in the year funding is sourced.	All members of the community create a need for this activity. Heavy commercial producers have an adverse impact greater than most users. The actions of individuals and business (commercial and industrial) who are planning, or who attract, growth to the city, have an impact on this activity.	Identifying separate funding assists in the accountability and transparency of Council's expenditure on this activity. Targeted rates are the appropriate funding source for those connected to the wastewater system and receiving direct benefits. Fees and charges reflect the user benefit for trade waste and commercial operations.	LOW	UNLIKELY	HIGH	LOW	UNLIKELY	Targeted rates for wastewater based on the number of water closets (toilets/urinals/pans) is a practical way of charging for residential users' contribution to the wastewater system. In the case of heavy commercial users of the waste system it is practical to measure the volume and quality of waste and charge appropriately for this through user fees and charges. A targeted rate for resilience also acknowledges the benefit received from emergency preparedness.
Stormwater												
Stormwater	Management of stormwater to reduce flooding and prevent water contamination for all residential, commercial properties.	A well planned city - He taone i āta maheretia Values and protects the environment - Tauranga Taurikura	The wider community benefits from the management of stormwater in an environmentally acceptable way. Some residents benefit from higher levels of service in specific geographic areas, e.g. Lakes.	Benefit of most operating costs is expected to arise in the year funding is sourced. Some benefits - from the stormwater reserve fund are likely to arise in the future.	The actions of some individuals and groups impact on this activity. For example, some stormwater runoff is a direct result of land works and individual actions. Properties with less permeable surfaces also create more need. The actions of individuals and business (commercial and industrial) who are planning, or who attract, growth to the city, have an impact on this activity.	Identifying separate funding assists in the accountability and transparency of Council's expenditure on this activity.	LOW	HIGH	LOW	LOW	UNLIKELY	Funding from a mix of general and targeted rates reflect the benefit to property owners and the wider community benefit of stormwater management. Increased funding from targeted rates allows for the ability to better reflect the impact from different sectors on stormwater infrastructure in the future. Properties with less permeable surfaces have a greater stormwater requirement. A targeted rate for resilience also acknowledges the benefit received by households and businesses from planning for resilient infrastructure.
Flood Protection	on											
Flood protection	Opening and maintaining overland flow paths to provide access to and egress from properties.	A well planned city - He taone i āta maheretia	The wider community and people with properties protected from flooding, commerce and industry.	Benefit is expected to arise in the year funding is sourced.	Property owners in flood prone areas create the need for this activity. The actions of individuals and businesses who are planning, or who attract growth to the city, have an impact on this activity.	Identifying separate targeted rates assists in the accountability and transparency of Council's expenditure on this activity.	UNLIKELY	HIGH	HIGH	UNLIKELY	UNLIKELY	Funding from a mix of general and targeted flood protection rate ensures the costs are recovered from properties that benefit from flood protection, and the wider community that benefits. NOTE: This will be operational as a standalone activity following the transition of the three waters to the Water Services Entity.

Objective ID A14426953

Activity	Nature of benefit	Primary Community	Beneficiaries	Period of benefit	Who creates need?	Separate funding		Propo	sed Funding S	ources		Rationale for Funding	
		Outcome(s)		Julium			Fees & Charges	General Rates	Targeted Rates	Subsidies, grants, etc	Overheads		
Sustainability a	and Waste												
Sustainability & Waste	Improves sustainability and ensures the protection of public health and the environment via managing the collection and disposal of the community's waste	Values and protects the environment - Tauranga Taurikura	Individuals benefit directly from waste collection and waste facilities. Users of transfer stations benefit from having a waste disposal location. People using waste education programmes benefit from those initiatives. The whole community including business benefits from waste minimisation, education, improved sustainability performance and waste collection.	Benefit of most operating costs is expected to arise in the year funding is sourced. Some benefits from the sustainability initiatives are likely to arise in the future.	The actions of individuals and groups create the need for this activity through waste generation. Groups that generate large amounts of waste such as industry, commercial, and construction and demolition industry. The actions of individuals and business (commercial and industrial) who are planning, or who attract, growth to the city, have an impact on this activity.	Identifying targeted rates for this activity assists in accountability. User charges recognise the accountability of users to pay for a service provided.	LOW	MEDIUM	MEDIUM	LOW	UNLIKELY	The actions of individuals or groups create the need to have this activity. Funding from targeted rates and user fees and charges appropriately recognise this. There are public benefits to waste minimisation and the implementation of the climate action plan, Protecting the environment enhances quality of life. General rates are appropriate to fund this activity based on the whole of community benefits from reducing and managing waste and the availability of support in carbon reduction and climate resilience.	
City and Infras	tructure Planning		T	ı							l		
City and Infrastructure Planning	Promotes sustainable management of Tauranga City's natural and physical resources for existing and future people and communities.	The sustainable management of our natural resources and providing for infrastructure in the future contributes to all community outcomes.	Council, residents, homeowners, industry, the community as a whole, developers, commerce and industry.	Benefit is expected to arise in the year funding is sourced. Some benefits are short to long term, benefitting future generations.	The actions of individuals and business (commercial and industrial) who are planning, or who attract, growth to the city, have an impact on this activity.	User charges assist in fair and equitable funding of Council's expenditure for this activity. There are no transparency benefits to funding the community portion of this activity separately to general rates.	LOW	MEDIUM	UNLIKELY	UNLIKELY	UNLIKELY	Fees and charges recognise the immediate benefit to people or groups instigating plan changes. General rate funding recognises the whole of community benefit of having a well-planned city, catered for growth, with planned infrastructure.	
Community, Pe	eople and Relationships										T		
Activities include Democracy Services, Customer Services, Community Relations, Te Pou Takawaenga Māori Unit.	Enables democratic, local decision-making and action by and on behalf of our communities, provides customer service and engages the community about council business. Maintains high level strategic relationships with Tangata Whenua and the wider Māori Community that reflect the principles of the Treaty of Waitangi.	Community, People and Relationships work collaboratively with the community and all other Council activities which contribute to all community outcomes.	All member of the community benefit from this activity. The beneficiaries for each activity are captured in each individual funding needs analysis.	Benefit is expected to arise in the year funding is sourced.	The actions of individuals and groups impact on this activity.	There is a high degree of public benefit, and little transparency benefit to funding the community portion of this activity separately to general rates.	LOW	UNLIKELY	UNLIKELY	LOW	HIGH	Operating costs are allocated as an overhead through the Council's other activities, or specific functions can be recovered through other activities. A small amount of external funding is available for this activity for citizenship ceremonies, and from the Regional Council for contribution to election costs, cadet programmes from MSD. There are sometimes opportunities for partnership with organisations for external Cultural and Heritage funding, however the funding would sit with the delivering activity or external partner. Fees and charges recognise the immediate benefit to people or groups requesting LIMs and property information, accessing cultural	

Objective ID A14426953

Activity	Nature of benefit	Primary Community	Beneficiaries	Period of benefit	Who creates need?	Separate funding		Propo	osed Funding S	ources		Rationale for Funding
		Outcome(s)		benefit			Fees & Charges	General Rates	Targeted Rates	Subsidies, grants, etc	Overheads	
												competence training, and other councils using TCC after hours service. Service Centre functions will become part of an integrated community hub with wider library and hub facilities in the 2025/26 year.
Community Se	rvices				ı					ı		
Arts & Culture	Understanding of our heritage and experiencing art and the opportunity to share artwork.	An inclusive city - Tauranga Mataraunui Supports business and education - Tauranga a te kura	Those people who access the Art Gallery, either as a visitor or an exhibitor. Local creative sector and arts, culture and heritage organisations. Hands on Tauranga users, education sector. The community as a whole for access to cultural and heritage facilities and programmes, as well as a vibrant city.	Benefit is expected to arise in the year funding is sourced.	Those accessing the Art Gallery and the Heritage Collection, creative sector, and education sector. The actions of individuals and business (commercial and industrial) who are planning, or who attract, growth to the city, have an impact on this activity.	This activity is high public benefit. The costs of funding the activity separately to general rates would not outweigh the transparency benefit.	LOW	HIGH	UNLIKELY	LOW	UNLIKELY	General rates are the appropriate funding source for the community as they are easy to administer, and it recognise the benefit from art and heritage promotion. General rates are used to fund the grant to the Art Gallery, and fees and charges are levied by the Art Gallery. Fees and charges recognise the user benefit of education services and cultural heritage programmes. There may be potential for external funding in the future for the educational and cultural/heritage services we provide.
City Centre Development	Manages the delivery of the Te Manawataki o Te Papa civic precinct development and Tauranga Moana Waterfront development projects, as well as delivery of a number of other community amenity projects, including Memorial Park. A city centre that reflects its history and culture and is a place that future generations can be proud of.	This activity contributes to all community outcomes through the construction of Te Manawataki o Te Papa, the Waterfront development and the Memorial Park projects.	The whole community benefits from economic effects of tourism, a place where people can come together to connect, share stories, learn, discover, enjoy the present, shape our future, be entertained, and have fun. Visitors benefit from enjoyment of the city centre with more things to do, increased amenities/facilities. Businesses in the city centre benefit from improvements to foot traffic, beautification and accessibility bringing more customers to the city centre.	Benefit is expected to arise in the year funding is sourced. Economic benefits are short to long term, benefitting future generations.	The actions of most individuals and groups have an impact on this activity. Visitors to the city increase the need for this activity. The actions of individuals and business (commercial and industrial) who are planning, or who attract, growth to the city, have an impact on this activity	This activity is high public benefit. The costs of funding the activity separately to general rates would not outweigh the transparency benefit.	UNLIKELY	HIGH	POTENTIAL	POTENTIAL	UNLIKELY	General rates are the appropriate funding source for the community as they are easy to administer, and it recognise the social, cultural, and economic benefits of a vibrant city centre.
Community Development	Empowers communities to actively participate, make decisions and work towards self-reliance to	An inclusive city - Tauranga Mataraunui	The community as a whole benefit from social equity, a sense of community pride and belonging,	Benefit is expected to arise in the year funding is sourced.	Community organisations and businesses requiring support.	This activity is high public benefit. The costs of funding the activity separately to general	UNLIKELY	HIGH	UNLIKELY	LOW	UNLIKELY	General rates are the appropriate funding source for households and businesses as they are easy to administer and recognises the benefit from community development. Objective ID A14426953

Objective ID A14426953

Activity	Nature of benefit	Primary Community	Beneficiaries	Period of benefit	Who creates need?	Separate funding		Propo	sed Funding S	ources		Rationale for Funding
		Outcome(s)		benefit			Fees & Charges	General Rates	Targeted Rates	Subsidies, grants, etc	Overheads	
	build strong, resilient sustainable communities.		connection, and improved social wellbeing and outcomes.	Some benefits are short to long term, benefitting future generations.	The actions of individuals and business (commercial and industrial) who are planning, or who attract, growth to the city, have an impact on this activity.	rates would not outweigh the transparency benefit.						There may be potential for external funding in the future from social development and government agencies.
Libraries	Provides a hub for community connection. Provides accessible educational opportunities, supports literacy and encourages lifelong learning, research and innovation. Preservation and sharing of Tauranga history and taonga. Programmes, events and learning opportunities engage the community.	An inclusive city - Tauranga Mataraunui Well-planned city - Tauranga - Tatai Whenua Supports business and education - Tauranga a te kura	The primary benefit is to those that borrow and use library material and resources. Benefits also accrue to the wider community through the availability of library resources.	Benefit is expected to arise in the year funding is sourced. Educational and community belonging benefits are short to long term, benefitting future generations.	The actions of individuals and groups have a minor impact on this activity. The actions of individuals and business (commercial and industrial) who are planning, or who attract, growth to the city, have an impact on this activity.	This activity is high public benefit. The costs of funding the activity separately to general rates would not outweigh the transparency benefit. User charges assist in fair and equitable cost recovery of Council's expenditure for this activity.	LOW	HIGH	POTENTIAL	POTENTIAL	UNLIKELY	The private good component of the library activity is recovered through user charges and fines. High levels of user charging will in many cases, restrict accessibility to those who currently benefit the most for the activity. General rates are the appropriate funding source for households as they are easy to administer and recognise the benefits and availability of the libraries. There is potential for external funding to be available from time to time to fund certain activities.
Venues and Events	Economic and social benefits including encouraging visitors to Tauranga, contributing to community pride, and belonging.	An inclusive city - Tauranga Mataraunui	Individuals, visitors, film makers, tourism industry, non-profit and community groups, businesses, and the community as a whole.	Benefit is expected to arise in the year funding is sourced. The community pride and economic benefits are short to long term, benefitting future generations.	The actions of most individuals and groups have a minor impact on this activity, particularly those organising events and requiring venues. The actions of individuals and business (commercial and industrial) who are planning, or who attract, growth to the city, have an impact on this activity.	This activity is high public benefit. The costs of funding the activity separately to general rates would not outweigh the transparency benefit. User charges assist in fair and equitable cost recovery of Council's expenditure for this activity.	LOW	HIGH	LOW	LOW	UNLIKELY	The use of the general rate to fund Events and venues recognises the benefits to the whole community. Fees and charges recognise the immediate benefit to people or groups hosting events using Council venues, and leasing property space. External funding is available for some events and venues, and through the Friends of Baycourt Trust. Other funding may be available from time to time.
Economic Deve	elopment											
Airport	Provides a facility for air transport services to connect Tauranga with the rest of the country and the world.	Supports business and education - Tauranga a te kura Easy to move around - Tauranga Ara Rau	Users of the airport, lessees of Airport land, business community, recreational aviators, commercial aviation industry, taxi and rental car operators.	Benefit is expected to arise in the year funding is sourced.	Individuals using the airport as passengers, to transport goods and for aviation education. Those who lease Airport land to operate their businesses.	User charges assist in accountability and transparency cost recovery of Council's expenditure for this activity.	HIGH	UNLIKELY	UNLIKELY	LOW	UNLIKELY	Fees and charges recognise that the benefits of the airport activity occur to individual users of the airport, lessees of land. These are well established methods for charging airport users. A small portion of interest revenue contributes to the funding of this activity.
Economic Development	Facilitates value creation and employment	Supports business and education - Tauranga a te kura	Businesses, visitors, investors, educational institutions, and the	Benefit is expected to arise in the year	The actions of individuals and	Identifying a separate targeted rate for commercial properties	UNLIKELY	UNLIKELY	HIGH	LOW	UNLIKELY	A targeted rate for commercial properties acknowledges that the benefit Objective ID A14426953

Activity	Nature of benefit	Primary Community	Beneficiaries	Period of benefit	Who creates need?	Separate funding		Propo	sed Funding S	ources		Rationale for Funding
		Outcome(s)		Delient			Fees & Charges	General Rates	Targeted Rates	Subsidies, grants, etc	Overheads	
	opportunities to enable our economy to become more competitive, resilient and sustainable.	An inclusive city – Tauranga Mataraunui	community as a whole from the efforts to grow the economy.	funding is sourced. Economic and education benefits are short to long term, benefitting future generations.	groups impact on this activity. The actions of individuals and business (commercial and industrial) who are planning, or who attract, growth to the city, have an impact on this activity.	assists in the fairness, accountability and transparency of Council's expenditure on this activity.						of this activity goes to commercial ratepayers.
Marine Precinc	t											
Marine Precinct	Delivers a purpose built marine servicing facility.	Supports business and education - Tauranga a te kura Values and protects the environment - Tauranga Taurikura	Those using the marine precinct – predominately the marine and fishing industries.	Benefit is expected to arise in the year funding is sourced.	Individuals and commercial business using the marine precinct create a need for this activity.	Identifying separate fees and charges assists in the accountability of Council's expenditure and charges those who cause the need for the activity.	HIGH	UNLIKELY	UNLIKELY	POTENTIAL	UNLIKELY	User charges recognise the benefits for people who use marine precinct.
Emergency Ma	nagement											
Emergency Management	Reduces the risk from hazards by ensuring a coordinated effective response during civil emergencies and business continuity incidents.	Values and protects the environment - Tauranga Taurikura An inclusive city – Tauranga Mataraunui	The community as a whole, businesses, partners and stakeholders (e.g. emergency services) and the Council itself benefits from preparedness, response to, and recovery from events.	Benefit is expected to arise in the year funding is sourced. Planning and recovery provides short to long term benefits of a resilient community.	All individuals and groups create a need for this activity. The actions of individuals and business (commercial and industrial) who are planning, or who attract, growth to the city, have an impact on this activity.	This activity is high public benefit. The costs of funding the activity separately to general rates would not outweigh the transparency benefit. A separate targeted rate provides accountability for our resilience planning funding.	UNLIKELY	HIGH	LOW	POTENTIAL	UNLIKELY	The high general rates allocation recognises the whole community benefits from resilience, planning, response, and recovery from emergency events. A targeted rate for resilience provides accountability for funding emergency preparedness and making our city more resilient to disaster and climate change. There is potential for some external resilience funding for specific projects.
Regulatory and	d Compliance											
Animal Services	Maintains animal control. People feel safe. Dog registration benefits dog owners by allowing legal ownership and enabling impounded dogs to be traced.	Values and protects the environment - Tauranga Taurikura An inclusive city – Tauranga Mataraunui	Owners of dogs and other animals such as poultry and bees. Schools and workplaces receiving education. The community as a whole benefit from an environment free from nuisance animal behaviours, and safety from dangerous dogs.	Benefit is expected to arise in the year funding is sourced.	activity. People who breach the Keeping of Animals Bylaw and allow dogs to roam create a need for monitoring.	Identifying separate fees and charges for dog registration assists in the accountability of Council's expenditure on the dog control part of this activity. General rates funding recognises the public benefit of animal control and the reduction of animal nuisance.	HIGH	LOW	UNLIKELY	POTENTIAL	UNLIKELY	User charges recognise that dog owners create the need for this activity, and irresponsible ownership behaviours result in infringements. General rates are the appropriate funding source for the public safety, protection from nuisance, and education benefits. There is external funding available from time to time depending on national direction and strategies, e.g. dog neutering campaigns.
Building Services	Implements processes to ensure buildings are safe and legally compliant and inspects swimming pool fencing as per the Building Act 2004.	Well-planned city - Tauranga - Tatai Whenua Values and protects the environment -	Building consent applicants, owners, future owners, commercial owners benefit from safe and sanitary buildings.	Benefit is expected to arise in the year funding is sourced. Some benefits will be received	The actions of most individuals and groups have a minor impact on this activity. People carrying out building work or with	Identifying separate user pays funding assists in the accountability and transparency of Council's expenditure on this activity.	HIGH	LOW	LOW	LOW	UNLIKELY	User charges recognise that the need for building services is created by people carrying out building work, and it being required to be certified legally compliant. A targeted rate for private swimming pool inspections recognises the benefits Objective ID A14426953

Objective ID A14426953

Activity	Nature of benefit	Primary Community	Beneficiaries	Period of benefit	Who creates need?	Separate funding		Propo	sed Funding S	ources		Rationale for Funding
		Outcome(s)		Bollom			Fees & Charges	General Rates	Targeted Rates	Subsidies, grants, etc	Overheads	
		Tauranga Taurikura An inclusive city – Tauranga Mataraunui	The community benefit from assured safety of buildings, (public and private), fenced swimming pools.	by future owners and future generations.	a swimming pool on their property create a need for this activity.	Using targeted rates for swimming pool inspections assists in fairness and are easy to administer. General rates funding recognises the public safety benefits.						owners receive by in having safely fenced pools. General rates are an appropriate funding source for the community to recognise the benefits of safe and sanitary buildings and pools, and public access to queries and complaints. Subsidies for building consents relating to the installation of solar panels are completely funded by general rates, given the environmental benefit.
Environmental Planning	Enables sustainable growth and development throughout the city. Delivers assts associated with the subdivision and land development processes that are fit for purpose.	Well-planned city - Tauranga - Tatai Whenua Supports business and education - Tauranga a te kura	Individuals who apply for resource consents and use the other services of this activity such as accessing information relating to planning issues. Affected parties benefit from having views considered in relation to land use and subdivision activities. The whole community benefits from sustainable growth, protection of amenity.	Benefit is expected to arise in the year funding is sourced. Longer term sustainable growth and protection of amenity benefits future generations.	The actions of most individuals and groups have a minor impact on this activity. People carrying out certain activities and developing land create the need for this activity. The actions of individuals and business (commercial and industrial) who are planning, or who attract, growth to the city, have an impact on this activity.	Identifying separate user charges assists in the accountability and transparency of Council's expenditure on this activity. General rates funding recognises the public benefit of sustainable growth and protection of amenity.	MEDIUM	MEDIUM	UNLIKELY	POTENTIAL	UNLIKELY	User charges recognise that the need for this activity arises from those who carry out activities requiring resource consents. General rates are an appropriate funding source for the community to recognise the benefits of sustainable growth and protection of amenity through ensuring adverse effects of development are mitigated or remedied. Additionally, the public benefit from being able to query activities and receive response to complaints.
Environmental Health and Licensing	Protecting public health through education, registration and monitoring of food, health, and alcohol related businesses	An inclusive city – Tauranga Mataraunui Well-planned city - Tauranga - Tatai Whenua Supports business and education - Tauranga a te kura	The benefit of inspection and licensing of premises occurs mostly to the public. Premises requiring licensing receive reputation benefits from having a licence.	Benefit is expected to arise in the year funding is sourced. Long term public health and education benefits future generations.	The actions of most individuals and groups have a minor impact on this activity. Premises requiring licensing and monitoring create the need for this activity. The actions of individuals and business (commercial and industrial) who are planning, or who attract, growth to the city, have an impact on this activity.	Identifying separate user charges assists in the accountability and transparency of Council's expenditure on this activity. General rates funding recognises the public health benefit of safe and sanitary food premises and the reduction of alcohol related harm.	MEDIUM	MEDIUM	UNLIKELY	POTENTIAL	UNLIKELY	User charges recognise that the need for this activity is created by premises requiring licensing and reflect the public reputation benefits of being a licensed premises, providing some assurance to customers. General rates are the appropriate funding source for households and businesses as they are easy to administer and recognise the public health benefits of safe food premises, reducing alcohol related harm, and ensuring other premises requiring registration are operating in a hygienic manner.
Regulation Monitoring	Ensures and encourages compliance with the city's bylaws and various Land Transport legislation. Contributes to community well-being by responding to social	As an activity monitoring various rules spanning different activities, Regulation Monitoring contributes to all	The whole community benefits from the efficient monitoring of bylaws, some groups benefit from specific bylaw monitoring relevant to their business,	Benefit is expected to arise in the year funding is sourced.	The actions of most individuals and groups have an impact on this activity. People who do not comply with rules create a need for	This activity is of high public benefit. The costs of funding the activity separately to general rates would not outweigh the transparency benefit. Identifying separate user pays funding assists in	LOW	HIGH	UNLIKELY	LOW	UNLIKELY	User charges and infringements recover costs from those using the services and breeching the bylaws. General rates are the appropriate funding source for households and businesses as they are easy to administer. General rates recognise the benefit to the community of having rules

Objective ID A14426953

Activity	Nature of benefit	Primary Community	Beneficiaries	Period of benefit	Who creates need?	Separate funding		Propo	sed Funding S	ources		Rationale for Funding
		Outcome(s)		Bonom			Fees & Charges	General Rates	Targeted Rates	Subsidies, grants, etc	Overheads	
	issues and promoting road safety.	community outcomes.	activities, or personal circumstance.		monitoring and enforcement action. The actions of individuals and business (commercial and industrial) who are planning, or who attract, growth to the city, have an impact on this activity.	the accountability of Council's expenditure on this activity.						monitored and enforced, and benefits received by businesses regarding parking availability and customer turnover.
Spaces and Pla	aces											
Cemeteries	The provision of cemetery and cremation services, a place to preserve history of the deceased and a place for remembrance and connection.	A well planned city - He taone i āta maheretia An inclusive city – Tauranga Mataraunui	Those using the services of the cemetery and crematorium. The Community also benefit through the protection of public health and the maintenance of cemeteries and cemetery records for future generations to locate their ancestor's burial plot/site.	Expected to arise in the year funding is sourced. However, some benefits to future generations occur in the future.	The actions of most individuals create a need for this activity. The actions of individuals and business (commercial and industrial) who are planning, or who attract, growth to the city, have an impact on this activity.	Identifying separate user pays funding assists in the accountability and transparency of Council's expenditure on this activity.	HIGH	UNLIKELY	UNLIKELY	LOW	UNLIKELY	User charges recognise that the need for this activity is from those who use the service. Some external funding is available in the way of hardship grants for individuals or families that cannot afford the cost of service.
Beachside Holiday Park	Provides accommodation and on onsite visitor information centre at the base of Mauao. Encourages tourism and a social atmosphere in the Mount North area.	Supports business and education - Tauranga a te kura	Visitors benefit from use of the facility; businesses benefit from visitor spending and information services. The wider community also benefits from economic activity.	Occurs in the year funding is sourced.	People requiring accommodation and visitor support create the need for this activity. The actions of individuals and business attracting visitors to the city have an impact on this activity.	User pays funding assists in the accountability and transparency of Council's expenditure on this activity.	HIGH	UNLIKELY	UNLIKELY	LOW	UNLIKELY	User charges recognise that the need for this activity is from people who require accommodation and visitor information services, and they are largely the ones who benefit. External funds are available from time to time such as the Tourism Infrastructure Fund.
Marine Facilities	Provides both recreational and commercial marine facilities. Leases land and commercial premises in marine areas.	Well-planned city - Tauranga - Tatai Whenua Easy to move around - Tauranga Ara Rau Supports business and education - Tauranga a te kura	Commercial users benefit from convenient facilities to operate their business from. Recreational users benefit from use of facilities for recreation, including carparking. Leaseholders of land and premises benefit from the use of the land and accessible storage options for boats and tractors.	Benefit is expected to arise in the year funding is sourced.	Commercial and recreational wharf users create the need for this activity. The actions of individuals and business who attract visitors to the city have an impact on this activity.	User pays funding assists in the accountability and transparency of Council's expenditure on this activity.	LOW	HIGH	UNLIKELY	POTENTIAL	UNLIKELY	User charges recognise that the need for this activity is from commercial and recreational users. Benefits received by users include berthing vessels at wharves, social benefits of recreation, convenient carparking for vehicles and trailers. Businesses receive benefits of a convenient location for pick up and drop off for cruises and boat tours. General rates are the appropriate funding source for households and businesses as they are easy to administer and recognise the public availability of marine facilities for community use as well as the wider economic benefits of marine activities.

Objective ID A14426953

Activity	Nature of benefit	Primary Community	Beneficiaries	Period of benefit	Who creates need?	Separate funding		Propo	sed Funding S	ources		Rationale for Funding
		Outcome(s)		Denem			Fees & Charges	General Rates	Targeted Rates	Subsidies, grants, etc	Overheads	
Spaces and Places	Protects and enhances a network of quality reserves and community facilities, that enable a range of experiences and services to the community. Protects the environmental, cultural, heritage, ecological and biodiversity values of the varied open spaces.	A well planned city - He taone i āta maheretia An inclusive city – Tauranga Mataraunui	Users of facilities and spaces. the whole community for availability of spaces for recreation and enjoyment. Businesses benefit from commercial use of spaces, and visitors from outside the city also benefit from use, including carparking near recreation facilities.	Benefit is expected to arise in the year funding is sourced.	Individual and groups requiring space and places for events and sports create a need for this activity. High performance sports expect a higher level of service. The actions of individuals and business (commercial and industrial) who are planning, or who attract, growth to the city, have an impact on this activity.	Identifying separate user charges assists in the accountability and transparency of Council's expenditure on this activity.	LOW	HIGH	LOW	LOW	UNLIKELY	User charges recognise that the need for this activity arises from individuals and groups using the spaces and places for both recreation and commercial activity. Paying users have the use of spaces and places to the exclusion of others. Targeted rates acknowledge the higher level of service for some areas and can also ring fence revenue for investment on particular amenities over time General rates are the appropriate funding source for households and businesses as they are easy to administer and recognise the social, physical, and mental benefits of passive and active recreation.
Includes Asset Services, Strategic Property & Commercial Facilitation, Digital Services, Finance, Capital Programme Assurance Division, Legal, Risk and Procurement, People, Performance & Culture, Strategy & Corporate Planning.	Contribute to all of Council's activities by enabling them. The nature of benefit for each activity are captured in each individual funding needs analysis.	Support Services work collaboratively with all other Council activities which contribute to all community outcomes.	The whole community benefits as Support Services enable all other Council activities to provide services to the community. The beneficiaries for each activity are captured in each individual funding needs analysis.	Benefit is expected to arise in the year funding is sourced. Some benefits are longer term, allowing appropriate renewal of assets, financial forecasting, and business continuity.	There is limited impact from specific individuals, as the whole community creates the need for Support Services.	Council considers that there is little transparency or accountability benefit of separate funding for this activity.	LOW	LOW	LOW	UNLIIKEY	HIGH	Operating costs are allocated as an overhead through the Council's other activities, or specific functions can be recovered through other activities.

Objective ID A14426953

11.7 Paying a Fair Share - Approaches to Funding the draft 2024/34 Long-term Plan

File Number: A14888883

Author: Malcolm Gibb, Contractor - Rating Review

Kathryn Sharplin, Manager: Finance

Authoriser: Paul Davidson, Chief Financial Officer

PURPOSE OF THE REPORT

1. The report presents proposals and options which seek to provide, over time, a fairer and more transparent approach to the funding arrangements of some Council's activities for the draft 2024-34 Long-term Plan (LTP).

- 2. The report proposes several new user fees to be introduced during the LTP to recognise specific beneficiaries of services or amenities and thereby reduce the extent to which general ratepayers must fund these services or amenities.
- 3. The report also identifies activities where charges need to significantly increase to cover the costs of the activity such that the activity remains financially sustainable.

RECOMMENDATIONS

That the Council:

- (a) Receives the report "Paying a Fair Share Approaches to Funding the draft 2024/34 Long-term Plan".
- (b) Notes in areas requiring full or partial cost recovery fees are increased to cover costs consistent with the revenue and financing policy
- (c) Approves the following specific funding recommendations for the draft 2024/34 Longterm Plan for community facilities:
 - (i) The introduction of new fees and charges for the use of boat ramps and active reserves (sport fields and cricket wickets for adult/seniors use only) to reduce the extent of general rate revenue needed to fund these activities,
 - (ii) Introduction of Boat Ramps charges at the Sulphur Point, Pilot Bay and Whareroa boat ramps, to park vehicles and trailers at the designated parking, to be charged at a rate of \$20 per day (incl GST) or \$200 per annum (incl GST).
 - (iii) Exclusive use of sport fields and cricket wickets at the rate of \$225 (plus GST) per winter or summer season per pitch for adult/senior participants only.
 - (iv) Use of council land for a lease or licence or licence to occupy by commercial organisations at the zonal market rates currently valued at between \$25.00 (plus GST) to \$65.00 (plus GST) per m2 per annum subject to updated valuations.
 - (v) Use of council land for a lease or licence or licence to occupy by community organisations at a city average rate based on a 50% subsidy of the city-wide average of the zonal reserve rates. Including the subsidy this is currently valued at \$6.05 (plus GST) per m2 per annum subject to current valuations
 - (vi) Note that negotiations will be undertaken with the bespoke community organisations who use large areas of council land for their activities to align their charges, over time, closer to the proposed levels for other community organisations.
 - (vii) Moving the range of Licence to Occupy fees for buildings at the Historic Village to one set fee for the different bands and using the mid-point independent valuation rate for most categories, with the exception of the retail and office LTOs which will be at the higher end of the valuation bands.
 - (i) Develop an engagement plan for these community fees for the draft 2024/34 Long-term Plan which provides sufficient resource and time to consult with user and stakeholder groups who may be impacted by these proposals.
- (d) Notes a report will be considered by Council on 4 September on options for parking management and charging at Mount Maunganui and in other areas outside the city centre.

EXECUTIVE SUMMARY

- 4. The report provides proposals and options to ensure each of the activities in council can be funded appropriately and in accordance with the Revenue and Financing policy.
- 5. Several activities have been self-funding able to generate sufficient revenue from fees and charges to cover their costs and a review has been undertaken to bring these activities back to a self-funding status throughout the period of the LTP. This has been achieved by increasing fees and charges and/or the introduction of new fees and charges and/or by growing the volume of business activity along with reviewing and reducing costs.

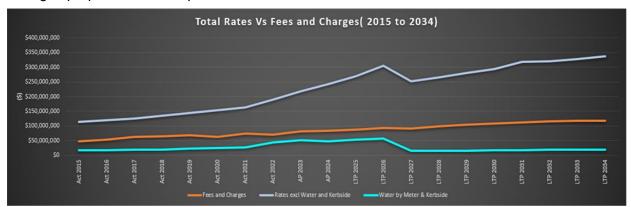
- 6. The report also presents proposals and options for activities to charge a new fee and charge primarily to reduce their rate revenue requirement. The proposals and options presented in the report seek a more fair and equitable balance between revenue from rates and revenue from user fees and charges across council.
- 7. The financial impact of these proposals may not all be immediate, but over the period of the LTP will develop to reduce the extent of rate revenue which council needs to receive to ensure its activities are fully funded.
- 8. Council currently provides substantial lease and rent relief to community organisations which is not well understood and communicated to the community or the community organisations. The report recommends that this financial relief is clarified and assessed on an ongoing basis to ensure fairness and priority. It is noted that applying a discount percentage will provide more transparency and consistency over time.

BACKGROUND

- 9. The Revenue and Financing Policy, guided by Funding Needs Analysis, sets out for the LTP the assessment of factors to consider when deciding how to fund various services and expenditure of council. Under the needs analysis the Council considers who (individual and groups) benefits from the activity, and how the benefit of an activity applies to households, businesses, and the community. Where Council considers the services provide a benefit to the community as a whole; or where Council is not able to identify a strong or direct relationship between users and the service the Council will consider general rates.
- 10. Where Council considers there is a clearly identified relationship between users and the services provided then Council will consider fees and charges or targeted rates. Some services Council must do because the actions or inactions of individuals or groups create the need to undertake the activity or increase the cost or frequency of a service being provided. Council may choose to target these people or organisations through fines, charges or rates.

Trends in Revenue from Use Fees and Charges and Rates Revenue

- 11. The following graph shows the trend in user fees and rates over time to fund council activities and includes current proposals through the draft LTP. Council has continued to operate most of the services it has offered in the past as well as introducing new services such as kerbside waste collection. Kerbside waste collection which replaced commercial collection services has clearly identifiable and readily chargeable users and Council uses a targeted rate charged under the Rating Act which in other respects is more akin to user fees.
- 12. Over the period from FY 2017 to the present, there has been a steady reduction in the percentage of revenue generated from user fees and charges related to the total revenue of council. After adjusting for the growth in water volumetric charging and the new kerbside service, rates revenue has assumed a greater percentage of the total revenue needed to fund the activities of Council. Rates is currently 75% of total revenue and based on the draft LTP this trend of rates increasing faster than user fees is continuing despite the specific changes proposed in this report.



13. From a corporate financial position, there is a need to close this widening gap and work has commenced on a number of initiatives to generate more revenue from fees and charges rather than defaulting to more rate revenue.

Revenue Strategy Principles

- 14 The recommended principles for the purposes of the draft LTP are
 - (a)User pays
 - (b)Fair and equitable
 - (c) Consistent across council
 - (d)Reflects capital investment
 - (e)Simple to administer and understand
 - (f) Captures non ratepayer users of TCC amenities
 - (g)Enables demand management
 - (h)Reflects "value" of assets and environment
- These principles underpin the Revenue and Financing Policy and Funding Needs Analysis for each activity of council.

STRATEGIC / STATUTORY CONTEXT

- 16. Each of the activities of council need to align with the Revenue and Financing policies and Funding Needs Analysis for the purposes of the Long-term Plan. The options analysis in the following section summarises a range of specific proposals and interventions to ensure the activities are appropriately funded.
- 17. A number of areas of user fee revenue such as parking and leasing of council land are covered under specific policies. At present the charges proposed are consistent with those policies and potential to increase charging and management outside the city centre will be considered by Council on 4 September 2023.

OPTIONS ANALYSIS

- 18. The Options Analysis provides a range of initiatives to increase the revenue of council. These specific interventions are structured by Group with options and recommendations provided for activities in the Regulatory and Compliance Group, Infrastructure Group and the Community Services Group (primarily in Spaces and Places).
- 19. Fees are proposed to be increased to cover costs consistent with revenue and financing policy in areas requiring full or partial cost recovery. As costs have increased so have revenue requirements. Key areas of change are outlined below, with revised user fees presented for adoption for consultation on 11 September Council meeting.
- 20. Further supporting information is provided in Appendix 1.

Fees and Charges in partially or fully cost recovered activities

21 The draft budgets have aimed to recover costs according to the revenue and financing policy. The following user fee changes are identified where they are considered to involve increases above general cost inflation.

Animal Services

22. The Animal Services activity had some revenue challenges to cover its costs over the period of the 2024/34 Long-term Plan to be financially sustainable. The dog control responsibilities

- of this activity are funded 90% by user charges and 10% by rates recognising the public good benefit associated with dog control.
- 23. To cover cost increases in recent years, the current dog registration fees are proposed to increase from \$100 per year to \$121.50 and the penalty for not registering a dog from \$150 to \$182.25 in 2025.
- 24. The current standard fee in Hamilton is \$170, Wellington \$180, Napier and Matamata \$120, Rotorua \$110 and WBoPDC \$100, so this proposal of \$121.50 (incl GST) seems reasonable.

Building Services

- 25. The Building Services activity had some revenue challenges to cover its costs over the period of the 2024/34 Long-term Plan to be financially sustainable.
- 26. It is proposed that Building Services fees increase by 5% annually for FY25-FY29 to realign fee recovery. The proposed increases may result in TCC having relatively high fees in relation to some councils.
- 27. To illustrate the change, the following key fees are highlighted for the 2025 year, noting the comparison is with other councils' 2024 year so these fees are also expected to increase in 2025:

	Resident	ial 1 Processing	Sen	ior hourly rate	R	1 Inspection/hour	C3 I	nspection/hour
Current FY24	\$	219.00	\$	232.00	\$	219.00	\$	232.00
FY25	\$	229.00	\$	242.00	\$	229.00	\$	242.00
FY26	\$	241.00	\$	255.00	\$	241.00	\$	255.00
FY27	\$	253.00	\$	268.00	\$	253.00	\$	268.00

28. By way of comparison the following table shows the fees of other nearby and comparable Councils for FY24:

	R1 I	hourly rate	Seni	or hourly rate	R1	Inspection/hour	C3 I	nspection/hour
Auckland	\$	186.00	\$	212.00	\$	186.00	\$	212.00
Hamilton	\$	204.00	\$	204.00	\$	220.00	\$	220.00
Wellington	\$	216.00	\$	216.00	\$	216.00	\$	216.00
Christchurch	\$	210.00	\$	245.00	\$	200.00	\$	255.00
Dunedin	\$	205.00	\$	205.00	\$	205.00	\$	205.00
WBOP	\$	205.00	\$	220.00	\$	220.00	\$	280.00
Rotorua	\$	229.00	\$	229.00	\$	229.00	\$	229.00
Taupo	\$	190.00	\$	190.00	\$	190.00	\$	190.00

Fees and Charges - Parking & Street Use

- 29. The Parking activity is developing its long-term approach to parking restrictions and charging across the city through its parking strategy development. This work is to align with the principles of user fees and in particular the opportunity to target funding of amenity improvements from the revenue collected, noting that parking charges provide an opportunity to collect revenue from non-resident users of council facilities.
- 30. The Parking activity had some revenue challenges to cover its costs over the period of the 2024/34 Long-term Plan to be financially sustainable.
- 31. The fees and charges are currently set by the council directly and generally follow a model of steady increases year on year without considering demand at any given time.
- 32. Areas outside the city centre have yet to have parking management plans implemented resulting in a situation where rate payers and those paying in the city centre are paying for free parking elsewhere in the city.

- 33. A more efficient and controlled use of citywide parking can help ensure our transport corridors are used efficiently getting people to businesses and their homes as efficiently as possible. With intensification and increased visitor numbers expected into the city over the coming years we are not able to continue with business-as-usual and drivers will not be able to continue to rely on our transport corridors as free for parking their vehicles.
- 34. Parking charging has a number of benefits for the city including to
 - manage parking demand to ensure the supply of available spaces for visitors to Tauranga
 - ensure people who don't live in Tauranga pay for access to parking and other amenities
 - manage traffic issues in and around areas of high visitor demand
 - encourage the uptake in mode shift and more informed travel choices with a better grounding in the cost associated with these options
 - match demand in the off-street carparks to ensure appropriate rates of charging for demand based on location and use.
- 35. The city centre and the Mount are the two primary areas being considered.

Parking Management - Parking in the CBD

- 36. The areas of parking management in the CBD will continue to expand every 6 months from the 1st of November 2023 as outlined in the recent update on the implementation of the city centre parking management plan.
- 37. The financial forecast predicts a \$316,000 per annum increase in revenue from the first stage of implementation taking effect on the 1st of November 2023. Parking rates in the off-street carparks especially will require adjustment to match demand based on the utilisation levels which are being achieved. Locations like Dive Crescent will also need to be adjusted to reflect works that have taken place onsite and ultimately how this supply impacts demand.
- 38. Proposed increases in parking rates should be flexible to ensure they can be adjusted based on changes in demand for parking and to ensure council understands how the completed developments work and the level of increases in visitor and user numbers.

Parking Management - Parking at Mount Maunganui

- 39. Traffic is an issue at Mount Maunganui during the tourist season and on good weather days in the area most of the premium street front parking spaces are taken by workers parking all day who are willing to move their vehicles. Enforcement is not able to take place with the frequency required as increased enforcement for "free parking" incurs increased cost and more frequent health and safety incidents.
- 40. A Council report is scheduled for the meeting of the 4th of September to begin consideration of paid parking in the Mount which will outline some of the key benefits for implementation to the public.
- 42. The parking arrangements at the Mount town centre are currently managed with time limitedparking. There are options for direct charging for time parked or extending the time limited parking which could be considered to be introduced over time.
 - Time charged parking. If the city centre hourly parking charges in the city centre were applied at the Mount town centre it would achieve estimated revenue of \$1.6 million and beachfront parking bays would achieve estimated revenue of \$0.2 million. Taking into account annual operating costs this could achieve a forecast surplus of up to \$1.5 million, which could be used to fund services or additional investment at the mount. During the summer season much of this revenue is likely to come from visitors to Tauranga.

- Time limited parking is designed to manage the demand for parking to provide a fairer and more equitable outcome for all visitors. The level of revenue from fines is unlikely to cover the costs of enforcement. Furthermore, to encourage the required turn over in parking additional enforcement is likely. A large portion of parking tickets issued are likely to be given to visitors unaware of the parking rules or who would have been willing and able to pay for the parking up front.
- 43. Surpluses earned for time charged parking in the Mount could provide funding for amenities such as boardwalk and dune maintenance, beach grooming, beach ambassadors rather than these services be entirely rate funded.

Street Use

44. Street Use is a second area for fees and charges where licence to occupy areas could provide opportunity to recognise the value of amenity enhancements, e.g., around Te Manawataki o Te Papa. The policies and principles are being developed to guide future user fees in these areas and will likely align with LTOs on reserves which are discussed later in this report.

Fees and Charges Review of Community Services particularly Spaces and Places

- 45. There are around 190 separate fees and charges in the Community Services Group, many have had significant increases over the past few years to increase the level of revenue to contribute to cost recovery. The team are looking at all the fees to ensure they cover the actual cost to Council, meet the revenue and financing policy and consider benchmarking with other relevant councils/organisations.
- 46. These proposals will be included in the draft Fees and Charges schedule for the draft 2024/34 Long-term Plan to be presented on 11th September to Council.
- A further recent review of these activities has identified several opportunities to further improve the revenue forecasts from existing fees and charges and to earn further revenue from the introduction new fees and charges to reduce the extent of the rate revenue requirement for these activities.

Use of Council Land

- 48. The use of Council land is a particular area of focus and is referenced in the Occupation of Council Land section of the current Fees and Charges Schedules but is also relevant to the Historic Village, events and markets on parks, camping at McLaren's Falls Park, use of the athletics park at the Domain and other areas.
- 49. The Use of Council Land policy (adopted in December 2022) differentiates between
 - Booking Council Land (exclusive and non-exclusive use, filming & photography, promotions, events, weddings, markets, stalls and sport competition, training and fixtures)
 - Licence to Operate (mobile shops, commercial activities)
 - Lease and Licence to Occupy Council land (lease of strategic and operational property, Early Childhood, community gardens, memorials, stormwater reserves, encroachments, signage and network operators)
- 50. The \$/m2 rates used in the current fees and charges for use of council land start at \$2.68/m2 and reduce as the land area gets larger. Additionally, a discount percentage of between 25-75% is available for community organisations with no clear criteria how this is to be applied. Currently charges are being reviewed to provide clarity and consistency across these

- charges. Advice has been received from valuers Telfar Young on the value of land and market rentals across the city to help inform consideration of options.
- 51. Telfer Young have provided valuations in 2021, summarised in the Table below, by zone across the city for land rents, based on a \$/m2.

Table 1: Telfar Young Zone Charges	Table 1:	Telfar	Young	Zone	Charges
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Zones	Market Land Value (\$/m2)	Zoned Market Rent (\$/m2)	Zoned Reserve Rent (\$/m2)
			(Zoned Market Rent / 3)
1	2,000	65	21.50
2	900	30	10.00
3	750	25	8.00
4	1,100	35	12.00
5	850	27.50	9.00
Average	1,120	36.50	12.10

- 52. For community organisations, there is a large subsidy currently being provided when comparing the range of the Zoned Reserve Rent \$8 to \$21.50 to the current maximum charge of \$2.68 m2.
- 53. The above information has been compared with the current schedule of leases council provides. This comparison using the Telfer Young reserve rent in column 3 by zone as a "market reserve rate" shows the extent of subsidy provided by council. The reserve rental rate above is estimated at \$13m, compared with Council's current charges which are less than \$400,000 each year (excl GST). This indicates, over the whole property portfolio, the current lessors are benefitting from an estimated 98% rental subsidy.
- 54. The rent relief provided for golf courses (\$4.7 million), horse sports (\$4.5 million) and cricket (\$1.2 million) makes up 80% of the \$13 million total subsidy with around 95% provided to the sport and recreation sector and around 5% provided to community groups (Citizen Advice Bureau, St Johns, Nightshelter) and playgroups and Plunket. Bay Venues receives 100% relief for the land it's facilities are located on (\$591,000) as does the Marina Society at Sulphur Point (\$499,000).
- 55. Over time, it is proposed to move council to a better position with a fairer and more reasonable balance of funding being provided to these community organisations and other community organisations who receive funding from other sources from council.
- 56. The Zoned Market Rent could be charged for community organisations and the extent of charge would be limited to an approved standard percentage to make this approach sustainable for the effected organisations.

Proposed options

Options Using Individual Reserve Zoned Areas (not preferred)

- 57. **Four options** are provided in Table 2 below. These are based on the zoned reserve rates below with forecast impacts on revenue to council. It is proposed to negotiate with the organisations listed in the bespoke category in the Table as they utilise large areas of land for their activities and the financial impact on them will likely be significant from a low base.
- 58. Advantages of the zonal approach is that charges reflect the value of land in different areas of the city. The disadvantage is that for community groups there is less consistency across the city.

Table 2: Options Based on Zoned Reserve Rates

Use of Council Land Revenue	100% of	70% of	50% of	30% of
Options	Reserve	Reserve	Reserve	Reserve
•	Valuation	Valuation	Valuation	Valuation
\$000s	Option 1	Option 2	Option 3	Option 4
Total Reserve Valuation of Lease Portfolio	13,394	9,376	6,697	4,018
Less Bespoke Large Land Areas	11,644	8,151	5,822	3,493
Other Lease/Licence Agreements	1,750	1,225	875	525
Current Revenue	288	288	288	288
Additional Forecast Potential Revenue				
Under Each Option	1,462	937	587	237
Bespoke Large Land Areas utilised by Bay \	/enues, Golf Course	s, Cricket, Race C	ourse, Pony Club,	Marina Society.
Bay Venues	591	414	296	177
Golf Courses	4,739	3,317	2,370	1,422
Cricket	1,236	865	618	371
Racing Club/Pony Club	4,522	3,165	2,261	1,357
Marine Society	556	389	278	167
Total Revenue	11,644	8,151	5,822	3,493
Current Revenue	80	80	80	80
Additional Forecast Potential Revenue				
Under Each Option	11,564	8,071	5,742	3,413

59. Although this approach is not the preferred one the recommended option using this zoned reserve approach is Option 4, recognising the affordability challenges to community groups with potential to move to Option 3 over time.

Options Using One City-Wide Average Reserve Rate (Preferred Approach)

- 60. An alternative approach is to use the average Zoned Reserve Rent of \$12.10 per m2 across the whole city instead of varying charges by geographic zone (see Table 1). This results in a higher potential total revenue of \$18 million but this is largely driven by the bespoke category which use large areas of land.
- 61. The advantages of this approach include that it is clear and consistent for all community organisations. It also has less financial impact overall on the majority of community organisations compared to the zonal approach. The disadvantage for the large bespoke users is that their charges will generally be higher than at present.
- 62. Table 3 below summarises the financial forecasts of the four options using a city-wide approach.

Additional Forecast Potential Revenue

Under Each Option

317

75

Use of Council Land Revenue Options (based on Average Valuation)	100% of Reserve Valuation	70% of Reserve Valuation	50% of Reserve Valuation	30% of Reserve Valuation
\$000s	Option 1	Option 2	Option 3	Option 4
Total Reserve Valuation of Lease Portfolio	18,273	12,791	9,137	5,482
Less Bespoke Large Land Areas	17,064	11,945	8,532	5,119
Other Lease/Licence Agreements	1,209	847	605	363
Current Revenue	288	288	288	288

Table 3: Options Based on City-Wide Average reserve Rate (Preferred Approach)

Bespoke Large Land Areas utilised by Bay	Venues, Golf Course	s, Cricket, Race C	ourse, Pony Club,	Marina Society.
Bay Venues	591	414	296	177
Golf Courses	8,209	5,746	4,105	2,463
Cricket	690	483	345	207
Racing Club/Pony Club	7,350	5,145	3,675	2,205
Marine Society	224	157	112	67
Total Revenue	17,064	11,945	8,532	5,119
Current Revenue	80	80	80	80
Additional Forecast Potential Revenue				
Under Each Option	16,984	11,865	8,452	5,039

921

559

- 64. Using this approach, the Recommended Option would be Option 3 (a 50% subsidy on the city-wide reserve rate) to provide a suitable balance of funding with potential to move to Option 2 over time. Again, it is proposed to negotiate with the organisations listed in the bespoke category in the Table as they utilise large areas of land for their activities and the financial impact on them will likely be significant from a low base.
- 65. On balance the recommended approach is to use a city-wide rent valuation Option 3 which could be updated on three-year cycle to align with council's Long-term Plans. This arrangement would apply for community organisations who meet approved criteria (provide community outcomes, no alternative funding sources, extent of public benefit provided by services, level of participation) and could be reviewed in time for the 2027/37 LTP.
- 66. It also seems reasonable to increase the rent percentage if the community organisation has a business operation provides a bar, venue for rental, sub-leases or other revenue generating options.
- 67. Conversely, in exceptional circumstances where a community organisation faces a significant change, that staff have some limited delegation to review the amount proposed to be charged.
- 68. It would also be the intention of council staff to ensure the reasonable property administration and legal costs of licenses to occupy be recovered from the community groups over the period of their licences and to standardise the terms of these licences.
- 69. There are 77 entities of the 176 community organisations which have leases/licences which are due for renewal in the next three years so a plan for engagement with the entities will be important.
- 70. The remaining 99 agreements may take time to change as some of the leases are for many years ahead unless the break clauses are invoked. Most agreements have six months' notice to give notice.
- 71. Commercial organisations will continue to be charged market rates for exclusive use of council land. It is proposed that the current 25-75% discount be dis-continued and only in exceptional circumstances should a proposed 20% discount be available to commercial organisations who provide measurable and significant community benefit.

- 72. It is proposed that commercial organisations pay the Zoned "Market" Rent, in paragraph 39, where they have exclusive use of the land and there is no significant community benefit. It would also be the intention of council staff to ensure the reasonable property administration and legal costs of licenses to occupy be recovered over the period of these licences.
- 73. In the case of community organisations or entities, it is proposed the average of the Zoned "Reserve" Rent, in paragraph 39, form the basis of the licence fee.

Licences to Occupy

- 74. There is also an opportunity to review how foreshore and reserve Licences including prime locations at the Mount are awarded. Presently the operators pay \$300-\$400 plus their tendered amount to commence their licence to occupy.
- 75. Council could seek a better financial outcome by setting a market related charge, consistent with the charged in paragraph 37, for operators who meet the operating criteria and conditions set by council.
- 76. This is the recommended approach to be included in the draft Fees and Charges schedule for the draft 2024/34 Long-term Plan.

Temporary Exclusive Use of Council Land

- 77. There is also an option to charge for flat space and wedding photography at McLaren's Falls Park and other sought after council locations where there are managed and designated areas for temporary and exclusive use. This may need to be balanced with the cost of providing higher level of services and the associated operational and administration cost.
- 78. The current charges for Events on Parks are being reviewed to ensure they are consistent with the other proposals in this report and in particular that commercial events pay closer to the market value for exclusive us of council land. Benchmarking to other councils' charges is important too, to ensure Tauranga attracts and retains key events.
- 79. These proposals will be included in the draft Fees and Charges schedule for the draft 2024/34 Long-term Plan.

Active Reserves

Sport Fields

- 80. Benchmarking of other councils' fees and charges shows that sports fields fees are many and varied but there is a high incidence of councils charging sports clubs a contribution for costs. The charges are generally for adult sport in the winter and summer seasons and based a per field per annum fee and charge. The average is \$1,000 per season for each rugby/soccer field and Hamilton City Council charge \$1,363 per season per field.
- 81. The Active Reserves maintenance and improvements spend for FY2023 was \$1.823 million. The demand information for both winter and summer codes are that they use around 40,000 hours of pitch playing time each year.
- 82. Based on the maintenance cost for FY2023 for the active reserve areas of \$1.8 million, there is an opportunity to recover a per hour rate and charge this over a season equivalent.
- 83. Council could contemplate an hourly, pitch per season charge of
 - (Option 1) \$1,100 plus GST to total \$1,265 per season for 100% recovery of the estimated adult/senior portion of the maintenance cost Forecast revenue \$525,000 pa
 - (Option 2)\$550 plus GST to total \$632.50 per season for 50% recovery of the estimated adult/senior portion of the maintenance cost Forecast revenue \$262,000 pa

Item 11.7 Page 247

Or

Or

- (Option 3: Recommended) \$225 plus GST to total \$258.75 per season for 25% recovery of the estimated adult/senior portion of the maintenance cost in Year 1 and the \$550 plus GST to total \$632.50 per season in Year 2 Forecast revenue \$131,000 pa.
- 84. If this level of fee is approved in the LTP, then the financial impact on two sport code examples is estimated to be
 - Senior Soccer Club:
 - Option 1 \$24,750 per season (plus GST) or
 - Option 2 \$12,375 per season (plus GST) or
 - Option 3 \$6,188 per season (plus GST) in Year 1 rising to \$12,375 per season in Year 2 \

• Senior Rugby Club:

- Option 1\$13,200 per season (plus GST) or
- Option 2\$6,600 per season (plus GST) or
- Option 3 \$3,300 per season (plus GST) in Year 1 rising to \$6,600 in Year 2.
- 85. The Casual Hire for Winter and Summer could also be based on a similar equivalent rate, say \$50 plus GST per hour, given the intermittent use.
- 86. Council is about to build an artificial turf sports field. Based on a comprehensive model for that facility and benchmark charges, a fee of \$1,000 per pitch per year is proposed but only for adult/senior participants. There is also a proposed 'advertising board' charge for this facility, at \$1,000 per board per annum.

Cricket Wickets

- 87. There is also a possibility to charge a contribution for the wickets' maintenance which is budgeted to cost \$273,000 per annum (over and above the Oval wicket maintenance).
- 88. Based on the number of wickets and number of playable opportunities, a charge of \$225 plus GST per season per wicket seems reasonable, as a contribution to the costs of the direct benefit being received.
- 89. This is the recommended approach to be consistent with other winter and summer sports codes.

Floodlighting

- 90. Floodlights are used by a number of sports codes which is provided currently as a free service for the booked time. A charge for floodlights based on a per hour rate could be initiated as a contribution to this cost.
- 91. There is a charge in the current schedule of fees and charges for "any other supply from parks and reserves" which is \$0.22 per kWh. Staff will need to assess how much electricity is consumed per hour of use to create an hourly fee and charge but are not proposing to proceed with a fee proposal at this time.

Marine Activity

69. The Marine activity had some revenue challenges to cover its costs over the period of the 2024/34 Long-term Plan to be financially sustainable.

Boat Ramps

92. The proposal is to introduce fees for using the main boat ramps through a parking charge for vehicles and trailers. This charge is designed for the direct users of these facilities to

- contribute to the costs of operating the network of boat ramps rather being entirely funded by rate revenue.
- There are identifiable direct beneficiaries and at many locations throughout NZ there is a fee and charge for the use of boat ramps and parking.
- 95. The proposal will need to be aligned with the Marine Facilities Framework which is integrated with the Marine Facilities strategy and the in-progress Sulphur Point and Marine Park Strategic Plan but this shouldn't preclude the charging of this fee and charge.

Options

- 96. There are a range of options for a daily rate and full year fee. The example below is based on benchmarking which puts the charge towards the top end of benchmarks.
- 97. The table below presents 2 options \$15 and \$20 daily parking fee (incl GST) (for both residents of Tauranga and out of district) and at least \$200 for an annual permit. That would only be for the three or four main boat ramps which offer a good level of service, Sulphur Point, Whareroa and Pilot Bay.
- 98. Two options are provided in the Table below with forecast impacts on revenue to council.

Boat Ramps Revenue Forecasts	No of Launches per annum : Scenario 1	No of Launches per annum : Scenario 2	No of Launches per annum : Scenario 3
Fees : Daily Fee Options	12,500	15,000	17,500
\$ 15.00	163,043	195,652	228,261
\$ 20.00	217,391	260,870	304,348
Fees : Annual	250	300	350
\$ 200.00	\$ 43,478	\$ 52,174	\$ 60,870
Total Revenue Range (excl GST)			
Option 1 with \$15 daily charge or \$200			
annual	206,522	247,826	289,130
Option 2 with \$20 daily charge or \$200			
annual	260,870	313,043	365,217

- 99. The recommended option is Option 2 at \$20 daily parking fee. It is also proposed that the Annual Fee only be made available to Tauranga residents who are more likely to benefit from an Annual fee rather than numerous daily charges.
- 100. The parking charge could be administered under the Parking Bylaw. The cost of this option has still to be fully considered but is assessed at \$50,000 per annum to operate and \$20,000 for two pay machines.
- 101. A proposed further 6 lane boat ramp at Sulphur Point could also come under this fee and charge but extended parking arrangements will need to be provided as part of the Sulphur Point Strategic Plan.

Cemetery and Crematorium

- 102. The Cemetery and Crematorium activity had some revenue challenges to cover its costs over the period of the LTP to be financially sustainable.
- 103. Council cemetery and crematorium charges benchmark well with the other councils, having been increased by up to 40% during the 2021/31 LTP.
- 104. The Cemetery Master Plan is being implemented which has a capital investment programme of \$18.4 million over the period of the Long-term Plan. This includes a chapel upgrade and refurbishment, a further cremator with more capacity and a building to accommodate the cremator, road improvements and a permanent staff office.

- 105. The operational costs consequently increase and to allow this activity to return to a cash positive position, these costs are anticipated to be funded by
 - Increasing the cremation fees and charges by 10%
 - Increasing market share to 100% for cremations
 - Taking on the business opportunity to provide a service for the over 150kg market across the North Island (additional \$358 on the standard cremation fee) and to develop a presence in the growing market for animal cremations (\$350-\$500 per cremation)
 - Charge extra for out of district burials which most other council do. The average extra charge is \$860, so \$1,000 per burial is a reasonable proposal given the council's investment in land.
- 106. These proposals are consistent with revenue and financing policy and would be included in the draft Fees and Charges schedule for the draft 2024/34 Long-term Plan.

Holiday and Recreational Park Network

a) Beachside Holiday Park

- 107. The Beachside Holiday Park is planned to continue to generate a cash surplus over the LTP to fund the planned capital investment and to provide a contribution of \$300,000 per annum to the maintenance of Mauao.
- 108. Revenue from the cabins (to be increased by 4 in FY 2024) and between 10-20% higher fees and charges, a maximum number of night stays through the peak and shoulder seasons are all proposed to generate sufficient revenue to meet the planned financial projections.
- 109. The current accommodation rates appear to benchmark well with competitors and similar accommodation businesses and are consistent with existing approach and revenue and financing policy.

b) McLaren's Falls Park

- 110. The Hostel charges line up with DOC's charges, which have been simplified to \$25 per adult per night and \$15 for a child (5-18 years).
- 111. There is scope at McLaren's Falls to charge for the exclusive use of the flat areas for events and for wedding photos etc. This will be based on a m2 rate for the flat areas and referenced to Events on Parks, the Historic Village outdoor venue hire rates and a modified Use of Council land fee schedule.
- 112. The revenue generated is not likely to be significant but the cost to administer these arrangements are likely to be minimal. There may be issues to be managed with expectations for higher levels of service and associated operational and administrative costs.
- 113. These proposals will be included in the draft Fees and Charges schedule for the draft 2024/34 Long-term Plan.

Historic Village

114. The Historic Village activity is receiving a level of rate funding which is increasing significantly. This is largely the consequence of a sustained capital expenditure programme to improve the condition of the buildings and surroundings at the Village, where interest and

- depreciation charges have become a large proportion of the Historic Village operational costs.
- 115. There are revenue opportunities from licences to occupy and hire of indoor and outdoor spaces. The current fees and charges schedule includes a variety of rates which are tailored to the unique situation and issues prevailing at the Village.
- 116. The Licence to Occupy (LTO) rates were reviewed in 2020 as part of the Strategic Plan to apply a level of consistency to user fees and charges to reflect the different types of community and commercial activity that operate in the village and the different characteristics of each user group.
- 117. The rates identified by The Property Group Ltd were considerably higher than current rental rates and a program to increase tenants rates started in 2021 as LTO's where renewed. These saw significant increases for most tenants, so an incremental plan has been implemented to bring their rates up to the current levels in the fees and charges schedule.
- 118. At present 63% of tenants are still to reach the start of the band rates. Of this 63%, 9 community tenants have not yet had increases on their rates. All of these entities have indicated they are unable to pay the increased rate, so the Village Management team has held off progressing until the Community Funding Policy is completed to identify if the best option was for these organisations to apply for a funding grant to assist with their rent.
- 119. Currently community tenants with new LTO's receive the 20% discount on their rate in recognition of their contribution to community wellbeing.
- 120. The Historic Village has made significant investment to bring the facilities up to be fit for purpose and be of a standard that attracts and retains tenants. It is also at the start of journey to promote the village and attract higher foot traffic making The Village more desirable for tenants. The goal is to then be able to increase rental rates to provide the revenue level needed to maintain the operations of The Village and service the debt needed to do the capital works.

The current LTO rates in the Annual Plan for 2023/24 year are:

	Rate 1	Rate 2	Rate 3
Retail	R1: \$175 - \$200	R2: \$170 - \$190	R3: \$165 - \$185
Office	O1: \$150 - \$170	O2: \$135 - \$150	O3: \$120 - \$140
Warehouse / Studio	W1: \$135 - \$155	W2: \$120 - \$140	W3: \$110 - \$125
Venue	V1: \$135 - \$155	V2: \$120 - \$140	

Rate 1 = High quality space located in high traffic area

Rate 2 = Mid Quality space located in moderate traffic area

Rate 2 = Low quality Space located in low traffic area

121. The current market rates provided by Property Group in the last month are significantly higher especially in the Office space category. Noting our tenanted office spaces are not a corporate office standard.

	Rate 1	Rate 2	Rate 3
Retail	R1: \$250	R2: \$230	R3: \$210
Office	O1: \$300	O2: \$260	O3: \$220
Warehouse / Studio	W1: \$180	W2: \$160	W3: \$130

Venue	V1: \$145	V2: \$130	

123. The proposed options for the draft 2024/34 Long-term Plan are

Option 1

- 124. Increase all rates to the 2023 market rate. Based on the midpoint of the current rates this would see between 11% 88% increase in fees with the majority around the 24% increase. Noting however most tenants' current rental rates are not at the midpoint range the increase would be significantly higher.
- 125. The increase would result in potentially \$400K of additional revenue, however these rates will likely be unaffordable for the current tenants so could result in an exodus from the village leaving facilities unoccupied thus reducing revenue levels.

Historic Village Licence to Occupy (LTO) Rates	Current Mid point sqm			2023 Markets rate sqm			% difference		
Rates Per Square Meter Per Annum	Rate 1	Rate 2	Rate 3	Rate 1	Rate 2	Rate 3			
Retail	\$187	\$180	\$175	\$250	\$230	\$210	33%	28%	20%
Office	\$160	\$142	\$130	\$300	\$260	\$220	88%	82%	69%
Workshop/Studio	\$145	\$130	\$117	\$180	\$160	\$130	24%	23%	11%
Venue (lease)	\$145	\$130		\$180	\$160		24%	23%	

Option 2 – recommended

- 126. Moving the range of fees to one set fee for the different bands and using the mid-point rate for most categories. The only exception would be for Retail 1, which with very little differentiation between rates, recommend it at the top of the band bringing it closer to the current market rate and making all rates in the office category at the top of the band.
- 127. This will still be significant increases for all tenants with the current average rate being paid by commercial tenants at \$130sgm and \$74sgm for community tenants.
- 128. It is recommended to retain the 20% discount for community tenants. With several tenants, there will be a need to continue the progress plans while at the same time ensuring the rates are aligned with valuation changes at each annual review period.

Historic Village Licence to Occupy (LTO) Rates	Mid point sqm			2023 Market rate sqm			% difference		
Rates Per Square Meter Per Annum	Rate 1	Rate 2	Rate 3	Rate 1	Rate 2	Rate 3			
Retail	\$200.00	\$180.00	\$175.00	\$250.00	\$230.00	\$210.00	25%	28%	20%
Office	\$170.00	\$150.00	\$140.00	\$300.00	\$260.00	\$220.00	76%	73%	57%

Workshop/Studio	\$145.00	\$130.00	\$117.50	\$180.00	\$160.00	\$130.00	24%	23%	11%
Venue (lease)	\$145.00	\$130.00		\$180.00	\$160.00		24%	23%	

129. These proposals will be included in the draft Fees and Charges schedule for the draft 2024/34 Long-term Plan.

FINANCIAL CONSIDERATIONS

- 130. The Revenue and Financing Policy, guided by Funding Needs Analysis, sets out for the Long-term Plan the assessment of factors to consider when deciding how to fund various services and expenditure of council.
- 131. This is legal requirement of the LGA in preparing a Long-term Plan.
- 132. The revenue assumptions in the draft LTP are based around the user fee proposals in this report.

LEGAL IMPLICATIONS / RISKS

133. There are specific legislative requirements which are relevant to the activities being considered in this report, such as the Reserves Act, Building Act, Dog Control Act and Parking Bylaws.

CONSULTATION / ENGAGEMENT

134. An engagement plan will be developed for the draft 2024/34 Long-term Plan which provides sufficient resource and time to consult with user groups who may be impacted by these proposals.

SIGNIFICANCE

- 135. The Local Government Act 2002 requires an assessment of the significance of matters, issues, proposals and decisions in this report against Council's Significance and Engagement Policy. Council acknowledges that in some instances a matter, issue, proposal or decision may have a high degree of importance to individuals, groups, or agencies affected by the report.
- 137. In making this assessment, consideration has been given to the likely impact, and likely consequences for:
 - (a) the current and future social, economic, environmental, or cultural well-being of the district or region
 - (b) any persons who are likely to be particularly affected by, or interested in, the decision.
 - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
- 138. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the decision is of high significance to the community and will be consulted on in the draft 2024/34 Long-term Plan.

ENGAGEMENT

139. Taking into consideration the above assessment, that the decision is of high significance, officers are of the opinion that consultation/engagement will be carried out during the Longterm Plan process.

NEXT STEPS

140. The funding option approved by council will be included in the draft 2024/34 Long-term Plan.

ATTACHMENTS

Nil

11.8 Review of Rating Categories to Differentiate Industrial Ratepayers

File Number: A14896329

Author: Jim Taylor, Manager: Rating Policy and Revenue

Kathryn Sharplin, Manager: Finance Malcolm Gibb, Contractor - Rating Review

Authoriser: Paul Davidson, Chief Financial Officer

PURPOSE OF THE REPORT

1. The report considers the recommendation of the Strategy Finance and Risk Committee to set a separate industrial rating category and further considers provisions under section 101(3)(b) regarding matters relevant to the consideration of further differentiation for rating purposes.

RECOMMENDATIONS

That the Council:

- (a) Receives the council report "Review of Rating Categories to Differentiate Industrial Ratepayers".
- (b) Approves the Recommendation from the Strategy, Finance and Risk Committee to introduce a new rating category for industrial properties (Option 1) in the development of the 2024-34 Long-term Plan.
- (c) Agrees the evidence around roading costs and other wellbeing impacts including congestion and safety provides justification for considering a higher differential charge for the industrial category.
- (d) Agrees to consult as part of the LTP on setting a rating differential for the industrial category at 2.7:1 (Option 1) over the residential rate.
- (e) Agree to retain the commercial differential category to 2.1:1 (option 1) over the residential rate as previously resolved.
- (f) Agree to phase in further differential changes over years 2 to 4 of the LTP to reach a percentage share of general rates by category of approximately 65% residential, 15% commercial and 20% industrial.

EXECUTIVE SUMMARY

- 2. Industrial companies are particularly significant to the city's economy. They bring significant employment and wealth to the city and its community.
- 3. There are however costs and pressures on the city which come with this business activity. The planning and provision of infrastructure services is crucial to this sector as well as the need for housing and social, environmental and cultural amenity.
- 4. The Rating Policy was amended in the 2022/2023 Annual Plan to phase in commercial rating differential for the general rate and a transportation targeted rate to reflect a 50/50 funding split between commercial and residential rating units.
- 5. In submissions members of the commercial sector requested council to further differentiate the contributions of the commercial sector by separately recognising the benefits received and impacts of the industrial sector in the city.

- 6. There is a category within the district valuation role called industrial which TCC would use to create the industrial rating category. It includes industrial warehousing, manufacturing, transportation of goods and other industrial activity related to industrial properties.
- 7. At its meeting on 7 August 2023 the Strategy Finance and Risk committee recommended to Council to introduce a new rating category for industrial properties.
- 8. Further to the report provided to SFR, additional evidence of impacts of heavy vehicles, which are equated with industrial activity more than commercial has been summarised in this report. This includes economic, environmental and safety costs all of which impact community wellbeing.
- A review across comparator councils of the commercial differential and share of rates paid by commercial ratepayers relative to residential ratepayers shows that TCC remains at the low end of rates differential and the share of rates paid by commercial/industrial compared with other councils.
- 10. Analysis of options have been included around increasing the industrial differential more than an increase in commercial differential and its impacts on rates requirement (Attachment A)

BACKGROUND

CURRENT APPROACH

- 11. Currently council has two rating categories
 - "Residential" which includes land whose primary use is residential, rural, educational, recreation, leisure, or conservation
 - "Commercial" which includes land whose primary use is commercial, industrial, port, transportation or utilities networks, and any land not in the residential category.
- 12. During the 2022/23 Annual Plan process, council approved an increase in the commercial general rate differential from 1.6 in financial year 2021/22 to 1.9 in 2022/23 with a further increase to 2.1 in 2023/24. The commercial transport targeted rate was also approved to move from 1.6 in financial year 2021/22 to 3.33 in 2022/23 and with a further increase to 5 in 2023/24. The commercial transport targeted rate will be superseded by the IFF TSP levy when it commences in July 2024.
- 13. This decision was to ensure a fairer balance between the residential and commercial ratepayers in the city particularly noting the relative effect on council's costs relating to transportation where the contribution was based on a 50:50 split.
- 14. The issue about whether the commercial rating category fairly reflected all the constituent activity, particularly by the Industrial sector, was raised by commissioners and other commercial ratepayers during the Long-Term Plan deliberations. At the time the reports from Insight Economics and Gray Matter concluded that there was insufficient information from the vehicle trip data to support disaggregating the commercial rating category.
- 15. Further work was undertaken by staff and supported by PJ & Associates from a council cost perspective to understand what information was contained around renewals in particular to demonstrate any differences in costs associated with predominantly industrial or commercial uses. This report along with a summary from the Road Control Authority on the cost of heavy vehicles were presented at the SFR meeting on 7 August 2023.
- 16. The PJ & Associates report to SFR noted that the current available information on renewals for TCC does not adequately separate commercial and industrial uses to draw conclusions on the direct cost basis for a different differential rate for commercial and industrial rates. The findings supported the current differentials. That reported recommended TCC improve its data collection going forward.

- 17. The PJ & Associates report noted the opportunity for council to consider section 101(3)(b) and the overall impacts on the community and particularly the four well beings. The social, economic, environmental and cultural impacts which could be considered include safety, congestion, noise and pollution.
- 18. SFR on 7 August recommended to Council to introduce an industrial category. There is a category within the district valuation role called industrial which TCC would use to create the industrial category.
- 19. Following this meeting further information has been researched on relative impacts of heavy vehicle use primarily associated with industrial activities and summarised in the following table.

Comparison of the	Impact of	Heavy versus Light vehi	cles	
Comparators	Sources	Heavy Vehicles	Lighter Vehicles	Ratio of Impact
Economic Cost	1	82% of the cost and 21% of the vehicle traffic volume	18% of the cost and 79% of the vehicle traffic volume	4 to 1
	5	Fourth power law (appendix t	to SFR report)	10,000 to 1
Environmental Cost	2 and 3	NOx range 2,000	Nox range 60-280	10 to 1
	2 and 3	Exhaust particles - 20	Exhaust particles - 5	4 to 1
	2 and 3	CO2 1,500	CO2 500-2,270	1 to 1
	4	Account for 27% of climate emissions from road transport in Europe and only 2% of traffic	Account for 73% of emissions and 98% of traffic volumes	3 to 1
Safety Cost	6	Deaths from crashes make up 20% of deaths but only 6% of total distance travelled	80% of deaths over 94% of distance travelled	3 to 1
Sources	1	IEEE : Assessing the Impact	of Heavy Vehicles	
	2	European Commission Repo	ort 2023	
	3	NZ Ministry of Transport : So	ummary of Euro Pollution Re	eductions
	4	Transport & Environment		
	5	RCA Forum		
	6	Overview of Road Safety in	NZ	

- 20. In each comparator, the impact of heavy vehicles compared to light vehicles is considerably greater, as evidenced in the ratio of impact column in the Table.
- 21. The safety comparator is particularly significant to separate walking and cycling options from vehicle and particularly heavy vehicle traffic.
- 22. The ratio of impact could form the basis to establish a differential of between 3 or 4 to 1 compared lighter vehicles. Some of the vehicles classified as lighter vehicles would include vehicles typically used by the commercial sector but not the industrial sector. Similarly heavy vehicles are more commonly associated with the industrial sector.

COMPARISON OF DIFFERENTIALS AND CONTRIBUTION OF THE COMMERCIAL /INDUSTRIAL SECTOR

23. The table below shows that this council's commercial differential, at 2.1, is the lowest compared with other metro councils that we benchmark against. It also confirms that the capital value of the industrial sector as percentage of the city's total capital value, at 9%, is higher than these councils. This is consistent with the proximity of New Zealand's busiest port to the centre of Tauranga.

24. Tauranga has 1,800 commercial rating units with a capital value \$7.2b and 2,187 Industrial rating units with a capital value of \$7b. There are 57,714 residential properties with a capital value of \$68b.

Council	Commercial differential	Industrial (% total \$ capital value)	(% total \$	Utility (% total \$ capital value)	(% total \$ capital	Lifestyle (% total \$ capital value)	Other(% total \$ capital value)
Tauranga	2.1	9%	9%	1%	70%	4%	8%
Hamilton	2.98	8%	9%	2%	74%	1%	7%
Dunedin	2.47	4%	7%	3%	72%	7%	7%
Auckland	2.63	6%	8%	1%	76%	6%	3%
Wellington	3.7	2%	13%	2%	75%	1%	7%
Christchurch	2.22	7%	10%	5%	70%	2%	7%

- 25. The extent of rates revenue contributed by the commercial sector to total rates revenue is 26% for this council.
 - (a) Hamilton 34%
 - (b) Wellington 40%
 - (c) Auckland 31%
 - (d) Christchurch 26%.
- 26. This provides further evidence that on balance the commercial/Industrial sector could contribute more to total rate revenue and further that this may be contributed by the industrial sector based on the analysis presented later in the report. No other metro council currently has a separate rating category for industrial properties.

STRATEGIC / STATUTORY CONTEXT

27. This report considers the options to fund the activities of Council to be consulted on as part of the 2024/34 Long Term process.

OPTIONS ANALYSIS

- 28. Having considered the factors in section 101(3)(a) of the Rating Act, council can then consider section 101(3)(b) and the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural wellbeing of the community.
- 29. Under section 101(3)(b) Council can consider what level of contribution and differential to apply to commercial and or industrial properties relative to residential users to provide a fair share of the costs of the city.
- 30. The level of general rates differential can be developed through the consultation process to ensure a fair and equitable balance is achieved. The financial impacts of a range of differential options are shown in "Attachment A Funding impact of rates policy options". For the purposes of presentation of advantages and disadvantages an indicative selection of options is shown below:⁴
- 31. A new rating category could be defined as "Industrial" which includes land whose primary use is industrial, port, transportation or utilities networks.

⁴ noting that numbers are indicative only being based on 2021 rating valuations that may change with the revaluation in 2023, and the modelling assumed an overall rates increase of 9.7%.

32. The options analysis below considers options in two parts. The first is the level of differential associated with the categories from 2025 (year 1 of LTP). The second matter is to consider the phasing of the introduction of higher differentials for industrial and/or commercial categories working towards an agreed proportion.

Introduction of new Industrial Category and Differential levels

33. **Option 1**: Introduce a separate Industrial rating category and increase the differential for industrial category at 2.7:1 while commercial remains lower at 2.1:1.

Advantages	Disadvantages
 Responds to the commercial sector's concerns that they are paying a disproportionate rate. 	- Increase in rating distribution to the industrial sector noting the impacts of this sector and reasoning for the
 Recognises the increasing volumes of heavy vehicle to Industrial related businesses in the city from journeys originating or finishing outside the city's boundary. 	increases in differential
- Recognises the social and environmental impacts such as congestion, safety and pollution on the city of heavy vehicles and industrial activity.	
- The contribution of the combined commercial/industrial categories moves closer to that of comparable councils.	

Key risks	The lack of direct empirical financial and asset management evidence could result in a challenge to the introduction of a new category, but this is mitigated by the recent Supreme Court judgement and council's consideration of the four wellbeing's as part of the rating process.
Recommended?	Yes

- 34. It is important council staff continue to develop the systems and processes capable of providing the financial and asset management information which is recommended in the PJ & Associates report.
- 35. This option would see rating proportions move to 67.7% residential, 13.4% commercial and 18.9% industrial.
- 36. **Option 2:** Include a proposal to introduce a new rating category for "Industrial" land as part of the draft 2024/2034 Long Term Plan.
- 37. Continue to monitor the fairness and equitable funding of the transportation activity and request staff to continue to develop systems and processes capable of providing the financial and asset management information which is recommended in the PJ & Associates' report to enable clear measurements on the operational and capital expenditure. Keep differential for commercial and industrial at 2.1:1

Advantages	Disadvantages
 Delay a decision on whether to adjust the level of differential for industrial property above that of commercial until further information is known, and further work has been undertaken on projects and costs. 	 The rating policy is not necessarily providing a fair and equitable outcome. The differential does not consider reported impacts of heavy vehicles on the community.

Key risks	Some of the direct cost per category information is difficult to capture and measure and may take time and considerable resources to get to a position of more exact equivalence.
Recommended?	No

- 38. **Option 3:** Do not include a proposal to introduce a new rating category for Industrial property as part of the draft 2024/2034 Long Term Plan.
- 39. Continue to monitor the fairness and equitable funding of the transportation activity and request staff to continue to develop systems and processes capable of providing the financial and asset management information which is recommended in the PJ & Associates' report to enable clear measurements on the operational and capital expenditure.

Advantages	Disadvantages
- Delay a decision until improved financial information is available to ensure there is a closer correlation between the benefit and the rate imposed.	providing a fair and equitable outcome.

Key risks	Some of this information is difficult to capture and measure and may take time and considerable resources to get to a position of more exact equivalence.
Recommended?	No

Longer term phasing of increased differentials and change of approach.

- 40. The above comparison with other councils indicates that Tauranga City could increase the share of rates paid by the commercial and industrial categories relative to residential. Hamilton City is the most comparable council and approximately 34% of the rates share is paid by the commercial sector. Targeting a similar level of 35%, there are a range of options for Tauranga to apportion rates across the commercial and industrial categories.
- 41. **Option 1: Phasing a proportional approach over a three year period.** Set a percentage of the general rates to be collected from each rating category e.g., 65% residential 15% commercial and 20% industrial, which would give a result close to the proportional share of commercial and residential at Hamilton City Council. Note a range of options are presented in Attachment A.
- 42. If the 65% residential, 15% commercial and 20% industrial percentages were to apply on the current valuation the resulting differentials would be Industrial 2.98 and commercial 2.45. To reach these levels further phased increases in commercial and industrial rates would be required. These could be phased in over years 2 to 4 of the LTP. The overall outcome for

these sectors would be a combined differential of 2.7, which is comparable with the above metro councils.

43. Under this option to meet the percentage target the differential may vary as valuations change.

	Advantages		Disadvantages
-	- Removes the uncertainty of the revaluations as the differential is dependent on budget not valuations.		Increase in rating distribution to the industrial sector noting the impacts of this sector and reasoning for the
-	 Recognises that the Industrial sector should contribute more. Provides clear relativity in the overall allocation of revenue need over the 		increases in differential Timing of current economic conditions on the commercial sector may continue
-			into the future
	whole community.	1	May not be affordable without phasing options over a period.

Key risks	Increases in costs to commercial and industrial sectors
Recommended?	Yes

Option 2: Do not introduce a proportional approach but phase in higher differentials in years 2 to 4.

44. This approach could also see a phased increase in differentials for industrial to 2.98 and commercial to 2.45 over years 2 to 4 of LTP. However, it would remain at those differential levels and the proportions of contribution would be impacted by capital revaluation.

Advantages	Disadvantages
- Recognises that the Industrial and commercial sectors should contribute more.	 Increase in rating distribution to the industrial sector noting the impacts of this sector and reasoning for the increases in differential
	- Timing of current economic conditions on the commercial sector may continue into the future
	 Revaluations will impact on the level of rating distribution across sectors which may not always be equitable

Key risks	Revaluations may create an inconsistent approach due to changes in capital value across sectors
Recommended?	No

45. In conjunction with rating differential options, council staff will continue to investigate other options to fund the transport activity, noting some options such as congestion pricing or variable road pricing may provide a long-term solution to help manage the demand on the network and provide funding including from users not owning property within council boundaries can contribute to the costs of road corridors.

FINANCIAL CONSIDERATIONS

- 46. If the recommendations are approved there will be financial impacts on the current rating base. There may some budget requirements to develop systems and processes to better measure who benefits from the activity expenditure in the city.
- 47. If Council decides to introduce a new rating category there will be implications on rating units that can be presented as part of the draft 2024/34 Long Term Plan

LEGAL IMPLICATIONS / RISKS

- 48. The recent Judgement made by the Supreme Court of NZ (May 2023) in the successful appeal by Auckland Council, for a targeted rate on commercial accommodation providers, has provided some important principles in the setting of rates by a local authority.
- 49. The key principles are the extent to which a local authority needs to ensure a rational connection between the imposition of the rate and the benefits from the activity exist. This does not need to be an exact equivalence, or a close correlation and it is reasonable for the local authority to consider the intended or expected future benefits from an activity that is to be funded.
- 50. This Judgement is significant with regard to the matter being discussed in this report and given the opportunity provided by section 101(3)(b), council staff have developed options which can now be considered.
- 51. The Local Government Act requires Council to consult on any proposal to change the Rating Policy and this report forms part of this process.

CONSULTATION / ENGAGEMENT

52. This report is a continuation of the commissioners' response to the community concerns received as part of the changes to the Rating Policy to ensure fair and equitable funding for the transportation activity.

SIGNIFICANCE

- 53. The Local Government Act 2002 requires an assessment of the significance of matters, issues, proposals and decisions in this report against Council's Significance and Engagement Policy. Council acknowledges that in some instances a matter, issue, proposal or decision may have a high degree of importance to individuals, groups, or agencies affected by the report.
- 54. In making this assessment, consideration has been given to the likely impact, and likely consequences for:
 - (a) the current and future social, economic, environmental, or cultural well-being of the district or region
 - (b) any persons who are likely to be particularly affected by, or interested in, the proposal.
 - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
- 55. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the proposal is of medium significance.

ENGAGEMENT

- 56. Taking into consideration the above assessment, that the proposal is of medium significance, staff are of the opinion that engagement is required following the Council making a decision and the draft 2024/34 LTP process will form an integral part of the engagement process.
- 57. Council may decide that given the nature of the topic that specific engagement with the industrial sector is warranted.

NEXT STEPS

58. The decision of council will be included in the draft 2024-2034 Long term Plan.

ATTACHMENTS

1. Attachment A - Funding Impact of rates policy options - A14957182 🗓 🛗

2024-2034 LTP rating impacts on residential, commercial and industrial properties under proposed rating policy options

	Option 1 commercial differential 2.1 Industrial differential 2.7	Option 2 -Status Quo Industrial / commercial differential2.1	Option 4 commercial differential 2.45 Industrial differential 2.98	commercial differential 2.1 Industrial differential 2.3	commercial differential 2.1 Industrial differential 2.5	commercial differential 2.2 Industrial differential 2.5
Residential rates impact						
Low Residential (1%) \$385000	4%	6%	2%	5%	4%	4%
\$/pw	\$1	\$2	\$1	\$2	\$2	\$2
Lower Quartile (25%) \$785000	5%	8%	3%	7%	6%	6%
\$/pw	\$3	\$4	\$1	\$4	\$3	\$3
Median (50%) \$980000	5.5%	8.5%	2.8%	7.5%	6.5%	6.1%
\$/pw	\$3	\$5	\$2	\$5	\$4	\$4
Upper Quartile (75%) \$1220000	6%	9%	3%	8%	7%	6%
\$/pw	\$4	\$7	\$2	\$6	\$5	\$5
High residential (99%) \$3930000	7%	11%	4%	10%	9%	8%
\$/pw	\$13	\$21	\$7	\$18	\$16	\$15
Commercial rates impact						
Lower Quartile (25%) \$1052500	3%	7%	12%	5%	4%	7%
\$/pw	\$4	\$9	\$16	\$7	\$6	\$10
Median (50%) \$2030000	4.0%	7.6%	14.0%	6.4%	5.2%	8.6%
\$/pw	\$9	\$17	\$31	\$14	\$12	\$19
Upper Quartile (75%) \$3580000	4%	8%	15%	7%	6%	9%
\$/pw	\$16	\$30	\$55	\$26	\$21	\$34
High commercial (99%) \$78230830	5%	9%	16%	8%	6%	10%
\$/pw	\$363	\$677	\$1,221	\$570	\$465	\$762
Industrial rates impact						
Lower Quartile (25%) \$715000	22%	6%	27%	11%	17%	16%
\$/pw	\$22	\$6	\$26	\$11	\$16	\$16
Median (50%) \$1460000	26.2%	7.2%	32.3%	13.7%	20.1%	19.4%
\$/pw	\$44	\$12	\$55	\$23	\$34	\$33
Upper Quartile (75%) \$3140000	29%	8%	36%	15%	22%	22%
\$/pw	\$96	\$27	\$118	\$51	\$74	\$71
High commercial (99%) \$30853000	32%	9%	39%	8%	25%	24%
\$/pw	\$950	\$267	\$1,166	\$6	\$729	\$707
% of total General rates						
Commercial	13.4%	14.3%	15.0%	13.8%	13.6%	14.2%
Industrial	18.9%	15.0%	20.0%	16.5%	17.7%	17.6%
Residential	67.7%	70.7%	65.0%	69.7%	68.7%	68.2%

Item 11.8 - Attachment 1 Page 264

12 DISCUSSION OF LATE ITEMS

13 PUBLIC EXCLUDED SESSION

Resolution to exclude the public

RECOMMENDATIONS

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
Confidential Attachment 4 - 11.1 - 2024-2034 Long-term Plan - Tauranga Community Stadium - update	s7(2)(i) - The withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	s48(1)(a) the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

14 CLOSING KARAKIA